

In TRANSIT - SOME NOTES ON GOOD GOVERNANCE (1999)

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CONTENTS

PREFACE

Chapter 1 **THE JOURNEY OF REFORM** 5

The Book's Purpose

Learning and unlearning

Why reform?

Knowledge for change

Putting resources into perspective

Chapter 2 **The TRIPLE CHALLENGE in Central Europe**

Rethinking the Roles

- State Structures
- The market
- Social Development and NGOs

How can individuals make a difference?

SOME SNAPSHOTS

1998 Address to Czech Parliament by President Havel 35

Advice for more effective coalition government 44

Chapter 3 **THE BUREAUCRATIC-POLITICAL DYNAMIC** 53

- some questions and examples

Chapter 4 **TOWARD MORE EFFECTIVE GOVERNMENT** 67

- what have we learned from the past 25 years?

Chapter 5 **SOME CONDITIONS FOR INCLUSIVE GOVERNMENT** 103

- Case-study of a Scottish Region

Chapter 6 **MANAGING CHANGE - A LITERATURE GUIDE** 157

Chapter 7 **TRAINING FOR PUBLIC ADMINISTRATION REFORM** 181

CONCLUSION 205

GLOSSARY 216

About the author 222

Some Journals 223

PREFACE

These pages reflect one (West European) man's attempt to understand the processes of improving our public institutions in a world of increasing interdependence and complexity.

They bring together different sorts of experiences -

- fighting with bureaucracy in the late 1960s and early 1970s;
- helping to build community organisations;
- creating and running a Regional government system from 1974-90;
- introducing a new process of policy-making which broke down the boundaries between professionals and politicians
- designing and managing during that period a highly participative urban strategy focussed on what is now called "social exclusion";
- running an academic Unit concerned to help make sense of these efforts;
- advising Central Europeans build their new systems of government during the 1990s
- extensive reading in the field of public administration reform - and, latterly, of "transitology"

After two decades of working in Western Europe (mainly Scotland) and one decade in Central Europe, I seem now to be heading for a new continent. And we are all heading for the 21st Century. It seems therefore an appropriate time to take stock - to try to clarify both the experiences and the concepts and approaches being used in such endeavours - not least, perhaps, to make easier the task of engaging with future working environments.

The book tries to go beyond one man's perceptions and inclinations about these issues - it also tries to give a sense of what others are saying. And will hopefully therefore open up new perspectives and possibilities.

But the personal is important - it is, after all, the only way we live our lives. Academic words so easily reify. Do not misunderstand me - I have a deep respect for academic world. I have inhabited it and obviously try to keep track of it - we are constantly being reminded that "knowledge" is now the most valuable resource, replacing the previous trilogy of land, labour and capital (World Bank 1998). But the business of academics is classification and correlation - within ever-increasing specialisation.

You and I are in the business of improvement - faced with specific people and contexts. To make sense of it we require a multi-disciplinary approach - not a single discipline. What we see; what we want to do; and how we should do it - these are all unique choices we have. No-one else can really help us. I have put these pages together as part of my own search for self-awareness - in a belief that administrative reform requires a more open and tentative spirit.

A wise man once wrote that the best way to understand a topic was to act, read, reflect - and then write your own book. This booklet is written in that spirit.

So here I am, in the middle way, having had twenty years -
Twenty years' largely wasted, the years of l'entre deux guerres -
Trying to learn to use words, and every attempt
Is a wholly new start, and a different kind of failure
Because one has only learnt to get the better of words
For the thing one no longer has to say, or the way in which
One is no longer disposed to say it. And so each venture
Is a new beginning, a raid on the inarticulate
With shabby equipment always deteriorating
In the general mess of imprecision of feeling,
Undisciplined squads of emotion. And what there is to conquer
By strength and submission, has already been discovered
Once or twice, or several times, by men whom one cannot hope
To emulate - but there is no competition -
There is only the fight to recover what has been lost
And found and lost again and again; and now under conditions
That seem unpropitious. But perhaps neither gain nor loss
For us, there is only the trying. The rest is not our business.

TS Eliot (Four Quartets)

"We've spent half a century arguing over management methods. If there are solutions to our confusions over government, they lie in democratic not management processes"

JR Saul

CHAPTER ONE

THE JOURNEY OF REFORM

1. PURPOSE OF THE BOOK

A film of the early eighties starring Robert Redford - "The Candidate" - covered his campaign and eventual victory, against the odds, to become an American Senator.

The film ends on the victory night and the final words we hear him utter (to himself and in some horror) as he begins to confront the reality beyond the campaigning and the ever-present advice of his spin doctors are - "What the hell do I do now?"

A lot of people have found themselves recently in this situation as a new wave of elections has surged around Central Europe in 1996. In their case there is only too much immediately to do - at least in the way of **negotiations** and **appointments** since, in Central Europe, Governments (and parties!) are often coalitions created only after complex negotiations.

And there is not yet the professional civil service with experience of transfers of government power and able therefore to present the "new masters" with policy options based on the winning manifesto: indeed the new masters will often bring with them a new set of civil servants.

But the question remains - particularly for newly-appointed Ministers and advisers but slightly rephrased - what can I do with this power to make a positive difference?

Even in Western Europe, little has been written to help answer that question - despite the frequency with which good intentions have been frustrated by a combination of malign fate, machinations and the machinery of government.

Political autobiographies, after all, have to market success! And the general management books don't have a great deal to say to those who suddenly find themselves elevated to high level tasks.

A recent book suggests that senior executives need to - and can - develop three general sets of capabilities - personal, interpersonal and strategic dimensions (Dainty and Andersen). The **core personal capabilities** are self-awareness and self-development capacities. The "Interpersonal" (or **process**) **capabilities** are

- insight/influence
- leadership
- team building.

The **Strategic (or purpose) capabilities** are

- environmental and organisational assessments
- policy mechanisms
- structuring the action.

A key issue is getting the appropriate mix of "process" and "purpose" strengths: too much of either in teams and senior executives is problematic. It is curious that the management invasion of government in the past decade does not seem yet to have touched the world of politics - save for marketing!

The life-cycle, pragmatism and attention-span of Ministers and local government leaders cause them generally to adopt what might be called a "blunderbuss" approach to change : that is they assume that desirable change is achieved by a mixture of the following approaches -

- existing programmes being given more money
- policy change : issuing new policy guidelines - ending previous policies and programmes
- creating new agencies
- making new appointments

Once such resources, guidelines or agencies have been set running, politicians will move quickly on to the other issues that are queuing up for their attention.

Of course, they will wish some sort of guarantee that the actual policies and people selected will actually enable the resources and structures used to achieve the desired state. But that is seen as a simple implementation issue. Politicians tend to think in simple "command" terms: and therefore find it difficult to realise that the departments might be structured in a way that denies them the relevant information, support, understanding and/or authority to achieve desired outcomes.

Increasingly, however, people have realised that large "hierarchic" organisations - such as Ministries - have serious deficiencies which can undermine good policies eg

- their multiplicity of levels seriously interfere with, indeed pervert, information and communications flows - particularly from the consumer or client.
- they discourage co-operation and initiative - and therefore good staff. And inertia, apathy and cynicism are not the preconditions for effective, let alone creative, work!
- they are structured around historical missions (such as the provision of education, law and order etc) whose achievement now requires different skills and inter-agency work.

To move, however, to serious administrative reform is to challenge the powerful interests of bureaucracy itself - on which political leaders depend for advice and implementation.

This seemed to require an eccentric mixture of policy conviction, single-mindedness and political security which few leaders possess.

Whatever the appearance of unity and coherence at election time, a Government is a collection of individually ambitious politicians whose career path demands making friends and clients rather than the upsetting of established interests which any real organisational reform demands.

The machinery of government consists of a powerful set of "baronies" (Ministries/ Departments), each with their own (and client) interests to protect or favour. And Governments can - and do - always blame other people for "failure": and distract the public with new games - and faces.

What one might call the "constituency of reform" seemed, therefore, simply too small for major reforms even to be worth attempting. For politicians, the name of the game is reputation and survival.

Increasingly in the last two decades leaders have known that something was wrong - although the nature of the problem and solution eluded them.

To some it was poor quality advice - or management. To others it was lack of inter-Ministerial co-operation: or over-centralisation.

So a variety of reforms got underway from the late 1960s; and were accelerated when it was clear later in the 1970s that no new resources were available for government spending and, indeed, that there would have to be significant cutbacks.

Some leaders got their fingers burned in the 1960s during the first wave of over-optimistic attempts in America and Britain to apply management techniques from business to the affairs of government.

But the mood of caution has now changed. Encouraged by the examples set by countries such as Britain, New Zealand, Australia and Finland, government reform has become all the rage throughout the world in the past ten years.

Initially this involved governments selling off industries such as Steel, Gas and Telecommunications.

The reform of government has, however, now spread deep into the thinking about how the basic system of government and of social services should be managed - and what that means for the role of government.

For the last decade the talk has been of the "**ENABLING**" state - of government no longer trying itself to produce things and to run services but rather focussing on strategic purposes and trying to achieve them by giving independent public agencies - national and local - budgets and guidelines in contractual form. Then relying on a mixture of independent regulation, audit, quasi-market forces and arm-twisting to keep them on target.

Now no self-respecting politician - left or right - wants to be left behind from something that is variously seen as the "march of managerialism" or the "march of the market".

And the changed climate gives more courage to challenge staff interests and traditions of public service - although Germany and France are having their problems currently !

The inevitability of global change, the OECD or the European Union can, however, always be blamed!

The current ferment in and about the machinery of government reflects the enormous advances in the thinking about management and organisational structures over the past 15 years as we have moved away from mass production methods further into a "Post-industrial" era.

Technical change has killed off the slow-moving dinosaurs, given consumers new choices and powers: and small, lean structures a competitive advantage.

The very speed and scale of the change, however, pose issues for the political system which need to be confronted -

- do political leaders really understand the reasons for the changes in the machinery of government? Are they clear about the "limits of managerialism" - in other words about

the defining features of public services "which seldom face market competition, rarely sell their services, cannot usually decide on their own to enter markets, are not dependent on making a profit and have multiple goals other than efficiency" (Goldsmith)

- do they have the determination and skills to manage a change programme in a coherent way : dealing with the resistance they will encounter ?
- as activities are delegated and decentralised (if not passed to the market), how will this affect the role of the politician ?

All of this requires new management skills in the public service: and strategic skills in our politicians.

Central Europe faces two particular challenges which has been well expressed by Balcerowitz - "The state has only limited resources of time, administrative capacity and money: and, secondly, the capacity of the state to deal with different problems varies, mainly because of varying informational requirements. State resources in transition economies are much more limited; while the fundamental tasks of systematic transformation and monetary stabilisation are far greater than in any developed market economy".

2. UNLEARNING AND LEARNING

The book therefore is about the search for effectiveness and equity in government in a new era of immense change and growing expectations.

It is aimed at -

- those both inside and outside the machinery of government - both local and national - who, however reluctantly, have realised that they need to get involved in the minutiae of administrative change
- people in both West and central Europe.

A lot has been written in the past decade about development endeavours at various levels - but there are several problems about such literature -

- it is written generally by academics who have not themselves had the responsibility of making things happen: who have rarely, for example, been involved in the early, messy stages of taking initiatives they believed in, or in working with people who feel threatened and confused.
- its very volume and diversity (let alone language and accessibility) makes it impossible for busy policy-makers and advisers to read : a guide is needed.
- such texts are (obviously) not sensitive to the Central European context - let alone the changing nature of politics in places like Belgium and Scotland.

The analysis and argument of this book very much build on my **practical experience as a "change-agent" in Scotland during 1970-1990**, trying to "reinvent" the machinery of local government and to construct effective development policies and structures to deal with economic collapse.

The actual text **reflects a dialogue with a particular Central European audience between 1994 and 1998**: the focus - and content - being shaped by the questions and issues

which seemed to be at the forefront of the minds of the people I was working with in such programmes as

- Public administration reform in Latvia
- Administrative Decentralisation in Slovakia:
- the establishment of 2 Regional Development Agencies - and 2 Development Funds - in North East Hungary:
- the development of Local Government in Romania, the Czech and Slovak Republics
- injection of policy coherence into coalition government in Romania

And **the Annotated Bibliographies** give some of the key points from books I have found useful in my own search for better policy-making. It's a salutary experience to write a book on reforming government in a far-away land - far away from the crises, confrontations and hype which seems to pass these days for government in developed countries. Without these, you have the time and space to read; to begin to make some connections between other experiences of reform and your own. And to rediscover the importance of having some "theoretical" frameworks to help make such links.

Living and conversing with those undergoing the "transitional" experiences here equally makes you look at things in a different way and be more sensitive to the meanings hidden in words. Slowly I realised that my emerging thoughts were equally relevant for those in West European now trying to make sense of the various nostrums to which the public sector has been subject in the past two decades.

The book asks whether our policy framework for "transition" (inasmuch as one exists) adequately reflects new thinking about the respective roles of government, the market and of social development processes which has been developing during the decade in our own countries. It also suggests that, both in West and Central Europe, these important debates are hampered by their compartmentalisation. And, further, that one of the (many) problems of the "technical assistance" given by Western Europeans during the 90s to the countries of Central Europe has been the fuzziness of the basic concepts of reform - such as "democracy", "market" and "civil society", let alone "transition" - used by us in our work.

This has had at least three causes -

- the experts have been practitioners in the practice of specialised aspects of their own national system - with little background in comparative European studies.
- Few of us had any understanding of the (Central European) context into which we were thrown. We have, after all, been professional specialists and project managers rather than experts in systems change. We have therefore too easily assumed that the meaning of the basic concepts behind our work were clear, relevant and shared.
- Few have, as practical people, been deeply involved in the debates which have been raging in the West about the role of government, of the market and of the "third" or "voluntary" sector - let alone to the specialised literatures (and sub-literatures) on development or "transitology"(Holmes)!

Central European readers will generally share three sentiments -

- frustration with the pace of change in your country and with your feeling of individual powerlessness
- an acceptance that things only improve when enough ordinary people get together and act
- a feeling, however, that the exhortations (and texts) you get from foreigners about "taking initiatives" are too simplistic for the incredible difficulties people face at a local level - often in basic survival issues.

A lot of that material on such things as communicating; planning and working together can, actually, with suitable adjustments, assist people here who want to speed up the process of social improvement. Some of these are mentioned in the reading list at the end - and you should take encouragement from the fact that the West has produced this sort of material only very recently (particularly in the field of social action). We are not as advanced as you think!

This book does not replicate that material - but is rather written on the assumption that people are more inclined to take action if they feel that their understanding of what is happening and the realistic options for change is reasonably credible

Like most practitioners, I stumbled by accident into the reform business. I was lucky in the 1970s to be able to combine my work as an academic (supposedly in Economics and Management) with that of a reforming local politician. Modernisation was very much in the British air in the 1960s after too many years of Conservative rule and propelled me into local politics.

Shortly after first being elected in 1968 to represent 10,000 people in a poor neighbourhood on the local municipality for a shipbuilding town in the West of Scotland, I was chosen by my political colleagues to be their organising Secretary. I then become Chairman of a Social Work Committee in 1971 - at a time when this function was being invited to take on a more preventive role. The Scottish legislation introduced by the Labour government of 1964-70 invited us to "promote social welfare" on a "participative and co-ordinated basis". This in recognition of the fact that social disadvantage has economic causes which are reinforced by the breakdown of social bonds and the operation of bureaucracies.

This gave me a powerful base with which to challenge traditional ideas and practices in local government. From the start, some of us tried to ensure that the local people were proper partners in redevelopment efforts - trying to use community development principles and approaches - in the teeth of considerable political and officer hostility.

From 1970 my growing politico-managerial responsibilities in self-government developed my intellectual interest in the budgeting process (Wildavsky), and in public management and organisational studies (Handy) and, inevitably, I was strongly influenced by the American ideas about corporate rationality which were then flooding across the Atlantic (in that sense there is nothing all that new about New Public Management).

At the same time, however, the social conditions and aspirations of people in my town's East End were beginning to engage my time and energy - leading to sustained reading about urban deprivation and community development (see chapter Five).

Interdisciplinary studies were beginning to be popular - but I seemed more excited by such "trespassing" (Hirschmann) than my specialised colleagues.

Even before Schumacher popularised the thesis that "small is beautiful", I was having my doubts about the worship of the large scale which was then so prevalent. I little thought, as - in the early 1970s - I took my students through the basic arguments about "public choice" (Buchanan) generally and road pricing in particular, that such an approach was to transform British and European public policy and politics a decade or so later.

The title of first publication - "From Corporate Planning to Community Action" reflected the diverse strands of thinking then around!

Then, in 1974, came a massive change: the reorganisation of British local government. All the old municipalities were swept away. I found myself a councillor on the massive new Strathclyde Regional Council - which was responsible for education, roads and transport, social services, water and sewage, police etc for half of Scotland's 5 million population. And it therefore had a massive budget - of 3,000 million dollars and a staff of 100,000 - on a par with many countries of Central Europe.

I was selected by my new colleagues to be the Secretary of the majority political group: a position to which they re-elected me every two years until I resigned in 1991.

In a sense we were on trial: although the logic of the City Region had created us, most people doubted that a local authority on this scale could possibly work. The small group of politicians and officials who shaped the Region in its early years were, however, excited by the challenge: in a sense, we knew that we could do no worse than the previous system.

And we relished the chance to take a radically different approach to the enormous economic and social problems faced by the Region from those used in the past.

Principally that we felt we had to engage the imagination and energies of the various groups in the area - staff, citizens and the private sector. For us, too many people - particularly staff and ordinary people - were disaffected and fatalistic.

In this new organisation, I was in a critical "nodal" position - at the intersection of political and professional networks of policy discussion - and tried to use it to establish an effective "constituency for change" both inside and outside the Council.

Very often I felt like someone working in a "No-Man's Land": and the "boundary crossing" made me angry about two things -

- the waste of resources from the apparent inability to work creatively across these boundaries
- the way that so much "leadership" of the various organisations disabled people. What is it, I wondered, about positions of power that turns so many potentially effective managers so quickly into forces of repression? (Alaister Mant's book is worth reading on this)

And confirmed the early commitment I had made early on in my political career to try to use my position to work with those who were excluded from power - on the basis that real change rarely comes from persuasion or internal reform; but rather from a "pincer movement" of pressures from below on those with power who always seem to need reminding of why they have been entrusted with it.

The last 9 years have moved me into Central Europe where I see such similar problems (environmental, organisational and civic) to those I first experienced in the late 1960s when I first got involved with local government (see chapter on Strathclyde Region).

3. MOTIVES for REFORM

Motives for administrative reform vary immensely; the mechanisms selected need to be appropriate to the purpose. It is therefore important to clarify these different concerns – to discuss them and to design strategy on the basis of consciously-selected objectives.

3.1 to reduce public spending (*or number of civil servants*)

This has been recognised to be simplistic (and the head-counting somewhat specious since, whether people were called civil servants or not, their salary came from the public budget). The issue is **rather reallocation of spending**.

This requires **political willingness** to take decisions about priorities and willingness to stick with them; and **administrative capacity** to implement them.

3.2 to give citizens better services and treatment;

eg reduce red-tape, ie the number of forms or offices they have to deal with for an application ; increased information on rights and services.

3.3 to increase public confidence

Trust is the lifeblood of a healthy society and economy. Its absence makes social and economic transactions difficult. Investment and the social fabric suffer as a result. Public servants who supply the continuity (or institutional memory) and need to be seen to have integrity and an ethic of service. This is particularly true for foreign investment.

3.4 to ensure effective implementation of international obligations and standards (through an effective administrative infrastructure)

Access to the European Union, for example, requires that laws are properly prepared and implemented - this means such things as prior co-ordination between Ministries, social partners and Parliament; assessing the impact of these laws; and ensuring that those with new responsibilities for enforcing the law are ready for the task - in terms of institutions, skills and resources.

3.5 to ensure cost-effective use of limited resources

We have become increasingly aware that there are real choices for governments about the role of the State in ensuring an acceptable level of public infrastructure and services. The

disadvantages of government being both policy-maker and supplier have become increasingly recognised – as have the benefits of pluralistic provision.

Exactly how the delivery of services is organised will depend on such factors as - the degree of competition ; ease of output measurement ; administrative capacity to engage in contract management ; the scale of transaction costs ; and political attitudes.

3.6 to activate the energies and ideas of the officials

Senior civil servants are highly educated; they have ideas and ideals are often themselves frustrated by the way the system works. The priority they have to give to the task of policy advice and legal drafting (particularly in Central Europe) means that they have little time to manage the delivery of services for which they have nominal responsibility (particular the structures and staff). And in Central Europe they lack the experience and skills of man management.

These six motives may seem obvious – but they have rather different organisational implications. Some suggest a tightening of central control; others a loosening. For example while the last two motives – although very different – do appear to lead in the same policy direction – of breaking Ministries into Agencies - the mechanisms are rather different. One emphasises structural change; the other, managerial style

4. DIFFERENT APPROACHES

Most reform efforts start with a determination to "get the bureaucracy under control" - in terms of resources, staffing or influence.

There are, however, very different approaches and starting points to this question -

- Some people assume that it is a matter of **better laws and regulations** since that is what bureaucrats need to authorise and prioritise their activities
- others assume that **financial information and appraisal** is the key – that once the costs of activities are known, the information will speak for itself
- others again will argue that it is all a **question of management (and personnel) structures and skills** – to have, for example, a system which encourage bureaucrats to take more responsibility for decisions and their consequences, within, of course, clear policy guidelines
- the more courageous suggest that one needs to begin with the government agenda – and the **process by which policy priorities are set and implemented**. Once that is clear, other things follow.

The approach selected will be largely determined by two factors in particular-

4.1 **organisational cultures**

The administrative systems of countries have traditions which constrain policy-makers' freedom of action. Anglo-Saxon practices - whether that of the powerful Prime Minister or the US "checks and balances" model do not easily transplant to the formal legalistic Central Europe model.

4.2 **the extent of support from key actors in the system.**

No much has been written about this crucial aspect - one writer (Lovell) divides people into allies, bed-fellows, fence-sitters, opponents and adversaries. Who falls into what category will depend, to an extent, on the methods chosen.

5. **KNOWLEDGE for CHANGE**

"Modernisation" of Western societies - in the sense in which we now use that term - started only 30 years ago; and it seems that we need a couple of decades before we can begin to understand the broad pattern of change - to start to make sense of the endeavour, to see the real issues and to begin a balance-sheet.

I think here particularly of Britain which was, from the mid-1960s so full of institutional critiques and self-analysis (see Chapter Four), leading first to major institutional changes, then a neo-liberal backlash and now - in its radical critiques and calls for major policy overhauls, written constitutions - seems to be taking a more analytical and process-oriented view of the process of change. In terms of the length of concern about the decline of the country (to some analysts half a century: to others a full Century), the scale and variety of the policy and organisational changes and the number and coherence of the studies, Britain offers a marvellous study in institutional pathology.

Universities have to accept some responsibility for the confusions in our public life.

First for the way that they have, in the past 30 years, allowed so many social science specialisations to be institutionalised, each of which has invented its own mystifying language and fashions (Andreski : Ormerod). The result has been a gigantic failure of communication within the social sciences, let alone with the wider world. And this in the midst of an orgy of enforced publication!

Knowledge for government is, for me, a "seamless web" - but has, increasingly, been segregated into academic subjects such as -

- "Government and Public Management" (Hood ; Rhodes ; Dunleavy)
- "Policy Analysis and advice" (Dror; Gunn and Hogwood : Parsons)
- "Public Sector Reform" (Lane; Pollitt ; PUMA)
- "Local Government policy development" (Stewart)
- "Budgeting and Public Finance" (Wildavsky)
- "Political Sociology" (Dunleavy)
- "Organisational theory" (Schon) ; and Organisational. Design (Roger Harrison; Revans; Schein),
- "Learning Approaches" (Kolb ; Senge ; Pedler)
- "Management of change" (Kanter ; Clarke ; Eccles ; Hutchinson)
- "Administrative Reform" (Caiden ; Hesse)

- "Development Theory ; and Practice" (Brohmann; Friedmann; Hirschmann; Gunther Frank)
- "Cross-cultural management" (Hamden-Turner : Trompenaars ; Lessem)
- "Urban Policy" (Donnison ; Boyle; Parkinson ; Bennett ; Robson)
- "Regional Policy" (Bachtler : Amin),
- "Local and Regional Government" (LJ Sharpe; Jones/Keating)
- "Community Development" (Henderson : Freire, Illich),
- "Democratic Theory" (Heald)
- Comparative Politics (Riggs)
- Transitology (Holmes)

There is a second charge I would make against modern university social sciences - that they have devalued the world of practice. I am generally not a great fan of the medical profession qua profession (Illich) - but do respect its tradition of linking teaching to practice. The concept of the University Hospital - which has the practitioner as trainer - is one which other serious academic disciplines would do well to emulate! Having said this, I would not want to be seen to be opposed to academia: after all, without the researchers and scribblers, we would have little clue about what is going on in the world!

But whenever we come across a book dealing with a subject which interests us we need to ask ourselves about the motives for the publication

- To make a reputation?
- To make money?
- Or help us answer the questions and uncertainties we have?

Sadly, it is all too seldom that the latter motive dominates. I hope the book notes will encourage some of you to select what seem to be particularly relevant to your particular needs: and to give you support in what is so often a lonely and thankless struggle of understanding and reform.

6. PUTTING RESOURCES IN PERSPECTIVE

Each person facing dereliction - physical, moral or organisational - must look at their own conditions and ask how the energy and ideas both inside and outside the various organisations can best be released. Simply transplanting practice from elsewhere can be counterproductive. Some of the critical questions to ask are -

- what were the preconditions of other successful work ?
- do they exist here ?
- If not, how can they be nurtured ?
- once the conditions are more favourable, what do we do ?

I am very much aware that the immediate needs in so many parts of Central Europe are such things as the provision of adequate water and waste management systems; the renewal of public transport, schools and roads; and all the equipment that goes with that.

I am also aware that Central Europe has well-trained engineers and scientists.

So I can understand the questions - and occasional resentment - about the presence of foreign experts (particularly from those knowledgeable about the disasters visited upon

developing countries by the World Bank : see the books by Susan George and Bruce Rich for development of this theme).

Many argue that money is the only thing that is needed: but questions certainly need to be asked about HOW EXACTLY such capital investment and equipment will be managed: and whether indeed it is needed in the precise quantity and form in which the proposals are presented.

After all, commitment to "market reform" actually entails two admissions -

(i) that the providers were too dominant in the past : and created over-supply of many facilities

(ii) that the precise configuration of equipment and prices that would meet consumer need effectively will take some time - and effort - to discover.

When, in 1973, I first engaged on the debate about Glasgow's future, the prevailing view in the City Council was that Central Government simply had to give the City Council the "necessary resources". Those of us who dared to suggest that the prevailing policies and structures were incapable of producing effective results: and that more decentralised (and collaborative) methods were needed for getting results tended to be treated as academics. Experience - both in Scotland and in Europe as a whole - indicates we were right: although we lacked then a strong methodological justification for our approach. All that we knew was that the old methods patently were not working: and that voices as diverse as Illich, Schon and Toffler were powerfully arguing, from another Continent, that a new emergent society would require a destruction of the bureaucracies as we knew them (see Conclusion). My own experience between 1970-90 of trying to get government bureaucracies to take seriously the ideas of local people in regeneration projects gave me ample proof of this. From this experience I have taken the following lessons -

(a) PROCESS - and people - are crucial : closed systems are the real problem !

A lot of groups and individuals are involved in the renewal of areas and organisations - whose enthusiasm, ideas and support is crucial for successful change and development.

The more pluralistic the society, the more chances of good ideas emerging.

People have to feel part of any change strategy : and that includes

- the staff and leaders of public agencies,
- voluntary organisations and the wider public
- professional associations
- the private sector

(b) That fundamentally affects **HOW** a strategy is evolved (the **PROCESS**). It cannot be done behind closed doors!

Planning systems and structures do not achieve change (indeed they generally pervert and prevent it !) It is people - and their relationships - which are crucial.

This can be seen by comparing the successful Glasgow experience with that of Liverpool - 2 cities with similar social and industrial structures in the 1970s but very different outcomes 20 years later (Carmichael-Chapter 5)

(c) **POLICIES** come next. These have to be

- appropriate to the local (and global) context

- understood and supported
- given institutional grounding
- seen to be successful (to generate the necessary continued support)

(d) Only then will RESOURCES work! No-one ever has enough money ! Go to the richest City Authority in the world - and ask them what their main problem is: the answer, invariably, will be "money" (unless they are part of the new breed of managers!). But how cost-effective have the enormous sums of money West Germany lavished on East Germany been?

- Leadership is about having the courage to choose, to select priorities
- Leadership is the ability to inspire others to believe - and to continue to believe - that what they do matters - and will make a difference.
- Leadership is being able to achieve with what you have!

Further Reading

Most of the references in this chapter are explained in relevant chapters (eg administrative reform; training). The remainder (eg on development issues) are picked up in the final chapter.

The references in the first part of this section ("How-to Manuals") should be of interest to those in senior positions - who are in a position to affect key processes and structures of government.

The references in the second section cover the improvement of our own inter-personal skills - and ways of working more effectively with others.

Engaging in PAR involves both content and process. And both are equally important. The policies have to be appropriate – and implemented in an effective way. Often the difficulties of implementation are under-estimated – which is why we begin with that.

1.1 Macro Change (Overviews and “How-to” manuals)

Bryson J

Crosby B Leadership for the Common Good (Jossey Bass 1992)

- the first real step-by-step manual of change for those operating in the public domain and who want to put together an effective "constituency" of change. My one criticism is that it tries too hard to make the relevant link with the academic literature. An Executive version should be produced!

Hollis G

Plokker K Toward Democratic Decentralisation - transforming regional and local government in the new Europe (TACIS 1995)

Waking Sleeping Beauty - Towards a sustainable provision of social services in transitional countries (TACIS 1998)

- texts which came from TACIS projects in the Ukraine.

Kanter R The Change Masters - corporate entrepreneurs at work (Unwin 1983)

- one of the best known of the management Gurus. This book should give encouragement to all those struggling with bureaucracy. It describes the efforts made in the early 1980s in some organisations to make them more relevant and effective and contains the marvellous, tongue in cheek, ten "**rules for stifling innovation**"

1. regard any new idea from below with suspicion - because it's new, and it's from below
2. insist that people who need your approval to act first go through several other layers of management to get their signatures
3. Ask departments or individuals to challenge and criticise each other's proposals (That saves you the job of deciding : you just pick the survivor)
4. Express your criticisms freely - and withhold your praise (that keeps people on their toes). Let them know they can be fired at any time
5. Treat identification of problems as signs of failure, to discourage people from letting you know when something in their area is not working
6. Control everything carefully. Make sure people count anything that can be counted, frequently.

7. Make decisions to reorganise or change policies in secret, and spring them on people unexpectedly (that also keeps them on their toes)
8. Make sure that requests for information are fully justified, and make sure that it is not given to managers freely
9. Assign to lower-level managers, in the name of delegation and participation, responsibility for figuring out how to cut back, lay off, move around, or otherwise implement threatening decisions you have made. And get them to do it quickly.
10. And above all, never forget that you, the higher-ups, already know everything important about this business.

Osborne D

Plastrik P Banishing Bureaucracy; the five strategies for reinventing government
(Addison 1997)

- after successfully starting the "reinventing government" movement, Osborne has now supplied us with the first real equivalent for the public sector of the myriad :managerial "cookbooks" which have tantalised private sector managers for the past decade or so (see The Witchdoctors – making sense of the Management Gurus on this issue).

On the basis of a rather simplistic summary of British, New Zealand and American experiences the authors suggest that effective public sector reform has to deal with the "basic DNA of the public sector system – its **purposes, incentives, accountability systems, its power structure and its culture**.

Successful reinventors have all stumbled across the same basic insights;

- that underneath the complexity of government systems there are a few fundamental levers that make public institutions work the way they do;
- that these levers were set long ago to create bureaucratic patterns of thinking and behaviour;
- that changing the levers – **rewriting the genetic code** – triggers change that can cascade throughout the system".

From these five basic elements Osborne suggests Five Strategies –

- Core Strategy (Clarity of Purpose ; Clarity of Role ; Clarity of Direction)
- Consequences Strategy (Managed Competition ; Enterprise Management ; Performance Management)
- Customer Strategy (Customer Choice ; Competitive Choice ; Customer Quality Assurance)
- Control Strategy (Organisational ; Empowerment)
- Culture Strategy (Breaking Habits ; Touching Hearts ; Winning Minds)

Perri 6 Holistic Government (Demos 1997)

The most stimulating single pamphlet one could read for an assessment of where we go after the downsizing, privatisation and "reinvention" which has been the name of the public sector game in Western Europe over the last two decades. His critique of the "functional model" is similar to that set out in this book - although more tightly and slickly presented viz - high cost; centralisation of the wrong things; **crude understanding of how to change behaviour** (he's very strong on the issue of "cultural change"); short-term thinking; **too much focus on cure - too little on prevention** (another key issue); **lack of co-ordination** and exacerbated problems of "dumping"; measuring the wrong things; and, finally, accountability to the wrong people

His main concern is the inability of contemporary government to deal with "wicked problems" (cutting crime; creating jobs; improving educational performance; and tackling ill health). He looks at the various devices which have been used in the attempt to achieve "joined-up action" eg

- Interdepartmental working parties
- Multi-agency initiatives
- Merging departments
- Joint production of services
- Restricting agencies' ability to pass on costs
- Case managers
- Information management and "customer interface integration"
- Holistic budgeting and purchasing (eg the Single Regeneration Budget)

He finds a place for all of these - but suggests that "the key to real progress is the integration of budgets and information; and the organisation of budgets around outcomes and purposes not functions or activities" (p44)

His basic argument is that "the watchwords for the next generation of government reformers will be

- Holistic government
- Preventive government
- Culture-changing government
- Outcome-oriented government

(should be read in conjunction with his article on "Governing by Cultures" and Douglas Hague's "Transforming Dinosaurs" in Mulgan's equally stimulating Life After Politics)

Senior B Organisational Change (Pitman 1997)

- the clearest and most up-to-date introduction to the issues and literature on managing organisational change.

1.2 Micro Change

These are texts aimed at what one can do within existing constraints at the level of one's own organisation.

Bryson J Strategic Planning for Public and Non-profit Organisations (Jossey-Bass 1988)

Covey S The Seven Steps of Efficient People (widely translated)

Garratt Bob Learning to Lead (Harper Collins 1990)
The Learning Organisation (Harper Collins 1994)

- two short and very important books for all those who suddenly find themselves in "leadership" positions and expected to operate "strategically"

Heller R Essential Managers Manual (D Kimberley 1998)

- nice glossy, with couple of pages of very practical advice covering every issue likely to confront people in offices eg chairing meetings, communicating, appointing.

Pedler M etc A Manager's Guide to Self-Government (3rd edition McGraw 1994)

- Identifies 11 basic management skills : then offers a questionnaire to allow you to identify the areas where you perhaps need improvement. 49 activities (eg "planning change", "choosing solutions with a chance" - about 5 pages to each) are then described to help such improvement.

Rowntree D A Manager's Book of Checklists (Gower)

- The book devotes 7/8 pages to such topics as listed below. No narrative: simply questions to help you to assess your approach to each - and how you might be able to improve your performance.

- controlling, communicating,
- managing your time, team, meetings, conflict, change etc
- planning for new staff : recruiting and interviewing
- delegating, motivating, appraising and disciplining staff
- negotiating

Weisbord M Discovering Common Ground (Berrett-Koehler SF 1992)

- explains the "search conference" approach to strategic development – and gives many case-studies.

Whetten Developing Management Skills for Europe (Harper Collins)

- This is a course in itself: with some 50 pages apiece on -

- developing self-awareness
- managing stress
- solving problems creatively
- communicating supportively
- gaining power and influence
- motivating others, managing conflict
- empowering and delegating.

The considerable strengths of the book are its self-assessment approach and its concern to base practical (and logical) advice on the available research - which it clearly summarises.

CHAPTER TWO

THE TRIPLE CHALLENGE in Central Europe

"Looking at the experience of the recent democratisation process in these countries and the views expressed by the media, politicians and sometimes academics, I get the feeling that many Westerners were paraphrasing the famous Leninist definition of communism: socialism + electricity. After the fall of the Berlin wall, many observers also expressed a reductionist view, whereby democracy was simply considered to be: the market + elections.

Fortunately, democracy is much more than this. Yet there is no single definition of democracy. Democracy is not a state of nature, it is a product of culture. Because of this cultural element, there is no such thing as a democratic model. There are democratic principles, whose implementation may vary from one polity to another: most Europeans would be reluctant to have elected judges while Americans would resist the idea of having only professional, tenured magistrates, for example.

But the paradoxes of Western democracy do not lie merely in its variety and diversity. Because of its sometimes very slow, sometimes very brutal, historical development, democratic systems necessarily incorporate elements and features of past non-democratic regimes. The *Rechtsstaat* and the Welfare State emerged and sometimes developed without any democratic purposes whatsoever in the mind of the rulers or their proponents. Corporatist traditions and institutions, as well as neo-corporatist practices, continue to flourish in most of continental Europe. Feudal or authoritarian rules and customs are still alive."

Meny

In a remarkably short period of time, the countries of Central Europe have put in place the institutions on which an effective market democracy depends, such as -

- free elections, held at regular intervals
- freedom of association and expression
- free press
- relatively independent judiciary
- private ownership
- banking systems

Such institutions set up structures of rewards and penalties to make the behaviour of political, administrative and business leaders more credible to the population.

It cannot be emphasised too much that development takes place only if there is a climate of **trust and confidence**.

For individuals to be willing to invest their time, energy or money in an activity (whether voting or starting a business or community organisation), they need to believe that their efforts have a high chance of producing results which they value.

If that belief is not there, then they will not make the appropriate investment of time or money.

The appropriate legislative framework - duly enforced (!) - supplies the confidence and **trust which is the invisible glue which binds together our economic and social systems**.

The "market", in other words, does not appear naturally. It is a social construct requiring systems of rules and organisations which are trusted by people. And used by them to take the variety of initiatives which create both a healthy economy and society.

All this does not happen overnight - and is one reason why progress has been slower in such matters as -

- the structure and status of public services

- the coherence of political parties
- the role of parliament (where western Europe also has its problems!)
- local government
- privatisation
- soundly based economic development

Progress in these areas requires **more than** the establishment of appropriate laws and institutions. It requires these new institutions to be actively used - by people willing to take initiatives and to work with other people to achieve new things.

The centralised systems which have been in place in Central Europe discouraged people from taking initiatives. They encouraged, instead, fatalism and passiveness - and a variety of manoeuvres and "double-speak" to get what one needs.

Such "coping" techniques do not die easily - particularly where the old bureaucratic structures and personnel are slow to go. And the **habits of working creatively and openly with others to get things done in the public domain** do not grow easily again - particularly when the new climate is celebrating the individual and competition in both the political and economic field.

Few people in the West seem to appreciate that moving from a centralised, totalitarian system to a more pluralistic one with a real and active market system in which citizens more confidently take initiatives - whether personal (complaints); economic (starting their own business); political (lobbying); or social (NGO) - is a task which **has never really been undertaken on this scale before**. The major constitutional and economic changes introduced in post-war Germany, for example, were built on the memory of autonomous political and economic systems which Hungary and Poland had at least a decade of economic and political preparation for the eventual fall of the Wall.

What is also insufficiently appreciated is that the way each country exited from state socialism has profoundly affected the approach taken in each country to the reform process. David Stark and Laszlo Bruszt argue that "**the diverse paths of extrication from state socialism yield distinctive patterns across a triangle formed by the state, the market and society**" -

- **reunification** in Germany with subsequent colonisation from the West; incorporation meant confidence in the state but deep distrust of society. German leadership used the state to try to transform both the economy and society. The Treuhand **in East Germany** had dramatically to alter its mission as the market for companies so quickly collapsed - and as the politicians of the new Laender and the increasingly powerful Unions had to be reckoned with.
- **capitulation** in Czechoslovakia - after decades of serious suppression of civil society - and a fast build-up of a very new political system. "Unlike the Germans they lack a strong state; yet unlike the Poles, they are not faced with strong civil society institutions that might negate their leadership. Czech political leadership attempted to use the market to transform the economy". Political leadership in the **Czech** republic used the rhetoric of neo-liberalism to conceal a pragmatic defence of employment. Despite Klaus' arrogance, the electoral system forced him to compromise - and the complex system of incremental bidding on which the voucher system was based has effectively

and paradoxically returned companies to the State - via the 10 or so National Funds owned by the Banks backed up by the State. Havel's eloquent 1998 address to the Czech Parliament reflects the frustrations in that country (see later).

- **compromise** in Poland leading to a compromised parliament and a nation-wide (but weakening) workers' movement. "Whereas the Czech voucher system was a means of achieving a market that is self-legitimising, the Polish citizenship vouchers were intended to legitimise the market"
- **electoral competition** in Hungary with the opposition winning power before it had roots in society, the fragmentation of the unions and the enterprise managers emerging as the most powerful social actors in society. "The Hungarian elite distrusted the market - and was also uncertain about society's trust in its leadership. Lacking strong intermediary institutions with which it could negotiate, the elite had few means of knowing the limits of society's tolerance. It therefore avoided decisive steps for fear of the reaction" - stumbling from one crisis reaction to another. Managers of State agencies were quick to take advantage of pre 1989 legislation to establish, with state assets, free-standing companies - leading to a complex pattern of interlocking ownership - with the State, however, still there to bail out. Governments (notwithstanding the high calibre of the bureaucracy) were slow to develop coherent policy, slow to implement it and fast to change it - with no social dialogue (the constitution and electoral system give the PM huge powers).

(the authors also looks at the "policy coherence" of reform in the countries and challenges the view that a strong Executive helps develop a clear and sustained reform process. He suggests that the strong Hungarian Executive has meant insufficient testing of proposals in negotiating forums with incoherent drift as a result. Against this, of course, one can argue that the mixture of strong parliaments and multi-party coalitions found in countries such as Romania and Latvia creates policy gridlock.)

The basic question their analysis leaves us with (assuming its validity!) is the extent to which the balance of forces created by the specific historical circumstances of the 1980s and early 1990s are now immutable? And, if not, how a healthier balance might be created?

2. RETHINKING THE ROLES OF THE 3 SECTORS

Such a perspective is interesting for the light it seems to throw on the different trajectories of change in the different countries. The interaction between the three sectors, however, also helps make sense of wider attitude changes in the West during the 1990s which is an important phenomenon for those now building their own systems -

- Loss of confidence in politicians and the state
- Misgivings about the market
- Increased activity of a "third" sector

2.1 Suspicion of the State

In both Western and Central Europe, people are suspicious of government actions and organisations - in Central Europe with more obvious reason!

Bureaucracy is, by its nature, inflexible (see JQ Wilson for the classic analysis) and, by virtue of its monopoly position, the expertise and experience residing in it can easily become complacent.

One of the functions of the **political** process in a pluralistic system is to challenge that complacency - and make things more transparent. But the paramount driving force of the political system is political ambition - the desire to capture and retain power for a party and its leaders. That often leads to a mixture of childish and devious behaviour which has alienated the public.

In Western Europe -

The operation of state structures has reflected an amalgam of political and professional definitions of the "public good" which have often excluded the public.

In the past two decades the closed manner in which politicians and professionals have defined the public good has been profoundly challenged in **Western Europe** - and new mechanisms are now being developed (Foster and Plowden) aimed at making public services more "user-friendly" but give the public more choice.

There is still considerable debate about the results of the major institutional changes to which this has led - and choices on both the content and process of change (Pollitt). One recent study focussed on the "Street Level Public Organisation" (SLPO) as the basic unit of "core public services (schools, police stations, hospitals) and suggests that reform works only if there is a consensus attempted between government, the professionals and the involved public (McKevitt).

Central Europe countries

have three particular conditions whose cumulative effect is to breed **deep cynicism** about **the political system** -

- Public disputation - the experience of debating public issues in the open - is still something new. Political *disputes are therefore personalised*. The public is still unsure of whose voice to trust.
- Those in power have *strong opportunities and incentives to abuse their positions for personal gain*. The legislation and machinery for privatisation is still unclear - and processes of transparency and accountability in government not yet in place.
- Even well-intentioned politicians find their time taken up by crises and negotiations with international bodies (such as the IMF and EU) and have *no time left to ensure the 3 things required by good government* - (i) coherent (and agreed) programmes which (ii) reflect public concerns - (iii) effectively and flexibly implemented.

And the bureaucracy has, for almost 50 years, been **an integral part of a very closed political system** and even now, after 9 years of a more competitive struggle for political votes, is deeply affected by clientism. Ministries still work in traditional styles -

- **hierarchical** (no real questioning or encouragement of creative/lateral thinking)
- **closed** (reluctant to work with other Ministries - or consult with social partners)
- **over-legalistic** (too much attention to legal detail and insufficient attention to policy aims and options - and to the practical realities of project management and implementation) As a result discussions often get lost in detail.

- **non-existent personnel management** (poor recruitment procedures ; lack of guidance and encouragement for staff etc)

The lack of trust people in Central Europe have of the state (Rose) therefore reflects *two things* -

- (a) their **daily experiences** of the insensitivity they experience from so many (but not all!) harassed officials **in various public offices**
- (b) their perception that the **political system is mired in conflict, corruption and crisis** management.

2.2 Caution about the Market

The driving force of the second sector (commercial organisations in the market) is profit - subsequently distributed to the owners (shareholders) of the companies.

It is perhaps insufficiently appreciated in Central Europe that the market delivers real consumer satisfaction only if at least three stringent conditions are met -

- there is a reasonable amount of competition (so often the competition in the West has been oligopolistic)
- there is information (how do people choose between so many producers of computers without the intensive consumer tests done by specialist magazines?)
- there is reasonable equity of purchasing power (and in both Central and Western Europe income inequalities have been growing)

It is only in the **last decade or so that technical changes have given consumers in the West real choice**; and the income levels (and crime rates) in many poor urban areas has discouraged commercial investment (even on a small scale). Such areas have therefore been denied some basic facilities in the West (Rowntree).

Clearly **income and information deficiencies make choice virtually non-existent for Central European consumers** who are (and feel) generally exploited by a commercial sector which is in essence more of a trading - than producing - system. And generally interested in fast profits (while the going is good) rather than building up loyal customers on the contemporary western model. And profits, moreover, which are reaped generally by the nomenklatura of the previous regimes who were in a good position to use their networks to take advantage of the privatisation process. And whose continuing political connections tend to block serious considerations of different ownership options.

In a recent book, Jeff Gates (not to be confused with Bill!) has expressed regret that so little of the technical advice given to Central and East Europe has offered the employee-ownership as an option. Instead, the West has accepted the pathetic argument that the development of a market economy required the rapid growth of a "nouveaux riches" class - and that it was a bit purist to expect Western standards of fairness and honesty in the acquisition of these riches. Clearly there are options - which the West has been reluctant to publicise for fear that they would be used by the old guard to rationalise old methods.

2.3 CIVIL SOCIETY - a "third" sector crucial to the reform effort

It is these problems of the "first two" sectors that creates the market opportunity or need for a "third sector", "voluntary organisations", "civil society". The choice of terms available reflects the larger confusion.

As later chapters go into the detail of reforming the machinery of government, I shall try in the remainder of this section to indicate why the development of this sector is important to economic and political reform.

An NGO is, literally, **non-governmental** - ie it is defined by what it is not. It is not (or should not be) driven by considerations of party politics or bureaucratic procedures. But the negative definition goes further - an NGO is also **non-profit**. Not in the sense that it cannot on occasion charge for certain services (eg training) but in the sense that its motive for existing and doing the basic things it does are not commercial but altruistic. It exists and acts because it cares - for example about the inability of either public services or the market to provide a decent environment and security in poorer urban areas. The driving force of an NGO is (or should be) its commitment to its client group or "cause". By virtue of their different motivation and loyalties, NGOs have traditionally performed an important function in policy development - as well as service provision - in EU countries. They have brought people into the shaping of policy who would not otherwise have become involved. This has enriched both the stock of both new ideas and people on which an effective democracy depends.

Clearly **Central Europe** offers considerable scope for voluntary activity - from those who recognise the present inability of the market or the state to deal with issues they care about - disabled people; young people at risk; local safety etc

Voluntary activity, however, requires time and self-confidence from the volunteer both of which are in short supply in societies characterised by the struggle for survival. This has implications for the nature and role of NGOs which donors need to be more sensitive to.

The West was very quick to offer Central Europe support for the non-governmental sector. Although the machinery of government was needed to carry out the systemic institutional changes which were urgently required to create an operational market democracy, there was initial ambivalence about support for public administration reform. The state structures were, after all, badly compromised; and the West has learned the hard way about the difficulties of reform from within (Caiden). The role of an active "Civil society" in giving the networks and confidence to challenge the complacency of politicians and bureaucrats had also been learned in the West in the 1970s and 1980s and seemed all the more necessary for Central Europe.

Certainly ordinary people in Western Europe were moved to make donations to Western NGOs to funnel to the new Central European NGOs springing up to deal with a variety of social crises which received the attention of Western media in the early 1990s (before Yugoslavia beckoned!). The Soros Foundation has been active in the development of civil society. And the European Parliament insisted in the mid 1990s that some of the PHARE money be made available to assist the development of policy skills and experience outside the formal political system.

The development of Central European NGOs is now, as a result, an attractive area for young professionals to work in - who have learned to expect more job autonomy and satisfaction than is yet available in the public sector or business.

And if some of the staff move from the NGO sector into the private or political sector, this is part of the key function potentially being performed by some NGOs in Central Europe - assisting into existence a professional and ethically-responsible cadre of business and political leaders.

But that does leave a big gap in work amongst ordinary people in both urban and rural areas. Here too, therefore, there are options.

NGOs in Western Europe

The development of the third sector (or NGOs) in the West has been shaped by the wider social system (and its underlying social values) in which they have operated. Their current role, structure and funding therefore vary significantly from country to country.

Anglo-Saxon countries with their stronger individualistic philosophies have, for example, been more ruthless in sacrificing significant sections of their population to achieve the changes demanded of the market than the French, for example, whose more inclusive social philosophy has been profoundly affected by Catholicism (Perri 6). This has shaped three different types of "voluntary organisation" in those countries

- The poverty and inequity this created in Victorian times was the context creating the first wave of philanthropy in both Britain and America. The driving force here was the conscience of those who had achieved - and wanted to return something to society. Carnegie, Ford and Rockefeller in the States; Gulbenkian in Portugal; Rowntree and Cadbury in Britain - these were the more visible expressions of an concern about poverty which found expression itself in voluntary middle-class fund-raising on behalf of the local poor. Subsequently many of the larger Foundations funded more policy-oriented activities - including Think-Tanks (Cockett).
- The second wave of NGOs came in the late 1960s as the post-war Generation educated in the new social sciences challenged the conventional wisdom of the Cold-War generation. Its driving force was political idealism - and its focus successively the nuclear bomb; homelessness; and ecology. Their aim was nothing less than fundamental changes in policies and systems. And they have generally succeeded - witness the effect of environmentalists on both business and politics.
- The concerns (and in some cases the personnel) then released found a focus in the social inequalities at a more local level - through the new profession of social and community work which developed strongly in Britain as a result of highly innovative social welfare legislation in the late 1960s. Many community workers were appointed by municipalities in the 1980s to act as advisers to small groups of residents trying to improve conditions in housing estates with high unemployment and poor social conditions. The best of such work has produced inspiring examples of local initiatives (Gibson). Britain has only recently recognised the critical role such "social entrepreneurs" play (Demos). The driving force for this type of activity has been a mixture of salary and professional pride.

Governments have been happy to support many of these developments, the motives being-

- their recognition that NGOs, by virtue of being non-governmental, were **more responsive to need**. They can react faster.
- they can be **more innovative** in their practice since they are not so publicly accountable : and can therefore offer the public sector pilot experience
- they are **closer to the customer** : and can offer public services important and objective critiques.
- the NGOs are using the **free resources of volunteers**; that, indeed, is seen as their main feature - that they can activate the energy and commitment of ordinary people
- support for citizen organisations gives governments a **positive image** for support of pluralism (ie diversity)
- the management has a **higher degree of commitment** than has traditionally been found in a bureaucracy

NGOs in Western Europe can be classified in various ways - one is according to their purpose and funding source

Purpose Sources of Funds	<u>Ideas</u>	<u>Services</u>	<u>Lobbying</u>
Fund-Raising	"Greenpeace"	Red Cross	Shelter
Grants (Govt/ International)	Think Tanks	Pre-School groups	Community Organisations
Charging (workshops/ publications)	Think-Tanks	Sheltered homes for vulnerable elderly	Big business

NGOs In Central Europe

Four very different types of structure can be found using the NGO label -

- National Foundations with a strong pluralistic mission (ie to help develop democratic activities and values and civil society). They are usually well-resourced (from external sources, both NGO and official) and staffed with highly educated young professionals. They may or may not have local branches. Much of their activity is training - and quasi-commercial. Some other Foundations, however are more ideological.
- National Foundations with a "service" mission (ie to advance the interests of a particular disadvantaged group such as the handicapped). These have a strong voluntary input - particularly at the local level which is one of their basic features and have attracted external (but now declining) NGO funding.
- Local Community and Neighbourhood Organisations - concerned to improve the conditions for a geographical community, in the first instance perhaps concentrating on such groups as the unemployed or young people. Such organisations are not, however, at the moment generally very evident.
- "Front" organisations - which use the NGO framework to pursue aims which do not actually belong to the sector. These are concerned simply to make money for the individuals establishing them (getting round the tax or import laws). Such practices

have been exposed in the media - and have unfortunately given NGOs as a whole a negative image.

Official statistics suggest there are 50,000 NGOs in Romania, for example - but it is clear that a large number of these exist on paper only. It would appear that there are about 5,000 real and active NGOs in the country - largely in the urban areas - although a new Fund for Social Development is now trying to encourage their establishment in rural areas.

Many foreign NGOs tend to assume that their experience can simply be replicated here in Central Europe. This is, however, ethnocentrism of the worst sense. The questions which need to be posed about NGOs in Central Europe are -

- What sorts of gaps exist in the development of the market and government systems which it seems reasonable to expect the NGO sector to fill? And, looking ahead, how will things change?
- Where do NGOs get their funding from - with what implications for their loyalties and accountabilities?
- What is the motivation of external funders in encouraging the development of NGOs here?
- What is the balance of motivation amongst those who drive NGOs here? To what extent idealism? To what extent salary and ambition?
- And what does this imply for the role of NGOs?

3. HOW CAN INDIVIDUALS "make a difference"?

It is not easy for ordinary citizens to persuade others to come together to tackle a local problem. The struggle for survival does not leave much energy for such altruistic activities - which are also now tainted somewhat by the way communist regimes tried to mobilise people's time and energy in the past - "for the good of the socialist state".

The Long Journey begins with a single step!

It wasn't laws which established the splendour of Victorian Cities. It was the local initiatives of people who cared - whether business people or doctors who saw that things like clean water and decent housing contributed more to health than what they provided!

It is individuals who care who make the difference. But they need support - and realistically that comes initially from outside the organisation.

That's one of the reasons why it makes sense for post-Communist countries to give more emphasis to local government - and to encourage councils to start building links at the local level. But it is important that the NGOs also see it that way - as helping the local councils better achieve community objectives. Understandably, at the moment, a lot of them see it the other way around, as the council giving them free premises and grants. The sort of partnership I am suggesting is necessary will perhaps require NGOs to improve their own links - to allow them to identify where the change agents are who need and deserve support; and encourage their members at the local level to supply it.

Although academics and others scoff at such texts, I strongly recommend Covey's <u>Seven Habits of Highly Effective People</u> (Simon and Schuster 1991) - available in most Central European languages.
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- be pro-active
- begin with the end in mind
- put first things first
- think win/win
- seek first to understand : then to be understood
- synergise
- "sharpen the saw" - ie keep mentally and physically fit

Local Leadership

The USA has a simple but powerful project based on a local University which invited younger middle-level managers in the various sectors of a city to apply for a rather special type of course. It brings together about 20 individuals - covering the sectors of trade unionism, business, public service, politics, NGOs, journalism and religious orders - for a day a fortnight over a year to study together the problems of their city; to visit various projects and key organisations and to produce recommendations for change. The main effect of "**Leadership Inc**" was twofold -

- to help leaders of the future better to understand the worlds and concerns of those from other sectors
- to build personal networks which helped partnership

Support some pilot work

Identify clearly the preconditions and constraints for "working together" and select one site where the preconditions give cause for confidence about local partnership. Then set up a pilot action. And publicise its success - people elsewhere will then begin to ask why they too cannot have such a scheme and will want to know how it was done. Remember nothing succeeds like success!

Give more emphasis to two sorts of NGOs

- at the national level "**Think-Tanks**" like the IEA which produced in Britain the ideas and drive for the Thatcher revolution and, on completely another scale, like SHELTER which skilfully used the media and campaigns to shame governments into doing more for the homeless. Ironically Central Europe has had a surfeit of advice on social marketing, lobbying. It's the vision thing they lack - and the conditions and logistics of sound project management
- at a local level **community organisations** which channel people's energies to the improvement of things they care about locally. There is perhaps too much individual twinning of specialised Western and Central European NGOs and insufficient input from the development NGO consortia (such as Euforic and One World) which are now working so effectively in other parts of the globe with a new agenda. There is a danger of Central Europe reinventing the broken wheel!

Establish independent Commissions to take stock of progress locally and nationally and help establish clear options for advance.

A sense of purpose (if not vision) is needed for local action. At the moment it is too easy for everyone to point to the lack of money, legal confusion, poor management etc and to sit back and wait for this to change! For a long time I have felt that one of the things missing

in many of the CE countries was a high-profile report on local democracy and development, carrying a strong consensus, which did such things as -

- clearly described the stage reached here (both strong and weak points)
- gave examples of good practice
- indicated the stages needed for further development
- described the different options

In Romania for example, this could build, for example, on the excellent position statements on "Local Development" and "Local Democracy" prepared for the major conference held in November 1993 and sponsored by the Romanian President, The EU, The World Bank and the Council of Europe. It would require a careful mapping of the roles (existing and changing) of the different types of local public administration; and an assessment of the implications of such recent developments as the 8 Macro-Regions recently announced there. A few individuals caring enough about local action could start the ball rolling; they could draft the basic idea and then identify and approach the individuals with the respect and neutrality necessary to give the venture the necessary credibility.

4. DEVELOPING STRATEGIES FOR ACTION

The tenth anniversary of the collapse of the communist regimes offers an important opportunity for each country to take public stock of the point it has reached. And to start using a more inclusive process to generate wider understanding, involvement and, hopefully, shared agendas.

There are a lot of international "league tables" around which purport to compare the economic and political progress of countries - eg the EBRD indices of economic progress; Freedom House "Report-Cards" on liberties etc. The European Union 1997 Opinions and yearly updates are more detailed - and give a better sense of the progress over time a country is making.

Various recent books also use different criteria to try to measure the extent of progress to democracy. One uses four criteria -

1. does the government accept the constraints of the rule of law?
2. do institutions of civil society operate free of government control?
3. are there free and fair elections with mass suffrage?
4. is control of government held by officials accountable to the electorate directly or through a representative parliament? (Rose)

Another suggests seven criteria -

1. competitive election of ruling elites, and political pluralism more generally: the latter includes a plurality of non-exclusive political parties, and elections that are held regularly, reasonably frequently, and that are genuinely competitive and secret;
2. a division of powers between the two or three main arms of the formal ruling part of the political system (i.e. the legislative, executive and possibly judicial arms), and a system of checks and balances;

3. a pluralistic approach to socialisation, especially in the areas of education and the mass media; moreover, these two areas must be free to question and criticise the regime and system;
4. full acceptance by both the state and society of diverse belief systems, notably religious, within the limits of the law;
5. respect for minority rights;
6. the rule of law;
7. a dominant political culture that both accepts and expects the first six points, and that encourages (and legitimises) political participation. (L Holmes)

The results of these (and other) tests are all very interesting. The real question, however, is-

- Are such assessments are being actively used **within each country**?
- Initiated by whom?
- How inclusively?
- How regularly?
- How effectively?

Where are the assessments on the progress being made in achieving sustainable institutions and policies to ensure the achievement of agreed human goals? And where are the forums which can help establish some consensus about the need and scope for change? Open processes are needed both to deal with the dangerous cynicism - and to engage people's ideas and energies.

And three key questions should be addressed -

- **How are we doing?**
- **What should be changed?**
- **How can I contribute?**

SOME NOTES ON DEVELOPING A STRATEGY

1.1 Most "strategy" papers are a waste of time. For one of two reasons -

- they simply try to put some good rhetoric on projects which express the interests of existing producer groups
- or they are written by well-intentioned people who have no power to make things happen.

1.2 The test for any strategy paper must be - will it help make positive things happen - which would not otherwise ?

1.3 And we need to realise that it is not the bit of paper which produces such a result - but the process which has been used to produce it. That process has to be both **RIGOROUS** and **CONSENSUAL**.

It has, on the one hand, to have the **courage to raise difficult issues about present performance** and the need for a **limited selection of priorities** ("RIGOUR") eg -

- Clear Picture of the local context - now and in the future.
- Lessons from recent local measures : ie how can we improve their efficiency ?

On the other hand, it **needs to obtain the support of those whose interests are being challenged by change** ("CONSENSUAL").

- Consensus on principles for effective self-sustaining measures
- Need to select limited number of strategic priorities for action
- link short-term, medium-term and long-term measures in a coherent way
- realism about time needed for certain changes
- Good personal and organisational communications

I would urge those embarking on local endeavours to have regard for the following points -

Strategy is rooted firmly in the present !

It begins with a clear picture of the context - now and in the future. It should build on the Strengths and Opportunities, marginalise the Weaknesses and Threats.

And in an understanding of the recent past

Actions should build on the lessons from recent measures. This means taking the trouble to find out what exactly happened? What was intended? Who had the responsibility for action? What were the results? Why? What would we do differently if we were starting again?

Don't try to reinvent the wheel!

There is now a rich literature of case studies showing how other areas have dealt with the sort of problem you face. Read this and adapt to your particular circumstances!

Select a limited number of strategic priorities for action.

- Producing a large "shopping list" of projects may keep local interests happy but simply leaves fate to take the difficult decisions!
- proper use of SWOT analysis should help select those priorities : this means asking which features of the local situation most urgently need changing to deal with the **external threats and opportunities.**

Be clear about what you can do yourself: and where you need external assistance

Develop **clear criteria for the selection of projects within the chosen programme priorities**

- and ensure they are used : initially by an independent technical assessment panel

Construct **effective management structures** for programmes.

- specify clearly **who** does **what** - by when (ie "work-programmes")

Pay attention to the need for good personal and organisational communications

- newsletters
- consultative conferences
- enlist the support of mass media in the venture !

For more detail, see -

Bryson J

Crosby B Leadership for the Common Good (Jossey Bass 1992)

- the first real step-by-step manual of change for those operating in the public domain and who want to put together an effective "constituency" of change

Weisbord M Discovering Common Ground (Berrett-Koehler SF 1992)

- explains the "search conference" approach to strategic development – and gives many case-studies.

Bibliography on “POST-COMMUNIST” REFORM PROCESS

Agh Attila The Politics of Central Europe (Sage 1998)

- The first textbook on the subject written by a Central European (if one excludes such key emigres as Tismaneanu). The scope is comprehensive (as is the data) on such issues as

- The triple transition
- Building institutional democracy – parliamentary and presidential systems
- The role of the political parties – political culture and electoral behaviour
- Re-democratisation in Central Europe
- Democratisation in the Balkans
- The future of democracy in CE and the Balkans

And he brings – as a “local” – a fresh perspective to an area which was in danger of being colonised. Elster and Offe is the other text I would recommend – although it is more reflective of outsiders trying to make sense of the events of the transition.

Balcerowitz L. Socialism, Capitalism, Transformation (Central European Press 1995)

- now Leader of the Polish Freedom Union party (and Deputy Prime Minister and Minister of Finance in the post 1989 government) Balcerowitz remains also an academic economist interested in the development process. This is a collection of his papers of the past ten years. Must be rated as the most essential reading about the strategic choices during this period; and gives some useful concepts for debate about the events. Chapter Nine (“Understanding Post-Communist Transitions”) places the post-1989 transition in the wider context of other political or economic transformations - to establish its uniqueness - indicates “three main fields of policy which determine the process”

macroeconomic stabilisation (S policy)

microeconomic liberalisation (L policy ; which enlarges the scope of economic freedom by removing state restrictions eg on setting prices or private operations)

fundamental institutional restructuring (I policy ; privatisation, stock exchange, reorganisation etc)

As he later argues (chapter 13), the shape and speed of implementation varies in each country, depending on factors distinctive to each country. He then offers a simplified schema to help analysis of economic strategies for particular countries, suggesting that **outcomes are caused by the interaction of (a) the initial and inherited position (b) exogenous developments and (c) policies.**

Chapter Ten (“Economic Transition in CEC : Comparisons and Lessons”) elaborates this and represents the heart of the book. One of the interesting concepts is that of “hidden treasures” (“a composite of such enduring inherited conditions as small size, historical jewels and location” - eg Czech Republic - but also including human capital). And its opposite - “hidden burdens” (such as the economy’s dependence on military production). “Macroeconomic stabilisation, microeconomic liberalisation (except in the labour market and possibly the credit market) and privatisation are the main processes of change where the radical approach seems to work the best. But there are others, including tax reform and the early establishment of genuine local government, which are important from both an economic and a political point of view - if not offering short-cuts”

He then offers a succinct definition of the role of the State for Central Europe - “The proper view of the state should consider two fundamental premises - (a) the state has only limited resources of time, administrative capacity and money and (b) the capacity of the state to deal with different problems varies, mainly because of varying informational requirements.”

These explain why a well-focussed state is even more necessary in transition economies than in established market economies. State resources in transition economies are much more limited ; while the fundamental tasks of systemic transformation and monetary stabilisation are far greater than in any developed market economy.”

Chapter Twelve (“Macropolicies in Transition to a Market Economy ; a three-year perspective”) discusses the various strategies of the Central European countries, concluding with ten lessons -

- radical is less risky
- there is no simple link between type of reform and political stability
- don't fine-tune at the start
- monetary and fiscal policy can stabilise in transition
- wage controls are vital
- liberalisation enforces stabilisation
- exchange rate pegs depend on inflationary expectations
- radical stabilisation and liberalisation policy encourages recovery and transition
- after initial stabilisation, credible sustainable reform requires a strong growth response by the private sector; fiscal reform and some external support
- initial failures are not an argument against continuing institutional restructuring and liberalisation

Chapter Thirteen - "Common Fallacies in the debate on the economic transformation in Central and Eastern Europe" - has a useful discussion about the implications of the variable "speed" of change of the S,L and I policies (see above), indicating that "at their core are the inherent human limitations of information processing and learning"

Bird RM, Ebel RD
and Wallich CI Decentralisation of the Socialist State - intergovernmental finance in transition economies (World Bank, Avebury 1996)

Blecher R. China Against the Tides (Pinter 1997)

Blejer M. and
Corricelli The Making of Economic Reform in Eastern Europe : Conversations with leading Reformers in Poland, Hungary and the Czech Republic (Elgar 1995)

Coulsen (ed) Local Government in Eastern Europe : establishing democracy at the grassroots (Elgar 1995)

Culplan R (ed) Transformation Management in PostCommunist Countries - organisational requirements for a market economy (Quorum Books 1995)

Buraway M and
Verdery K Uncertain Transitions - Ethnographies of Change in the Postsocialist World (Rowman/Littlefield 1999)

CCET Transition at the Local Level (OECD 1996)

Darwisha K and
Parrott B Democracy and Authority in post-communist societies (Cambridge UP)

Elster J,
Offe C Institutional Design in Post-Communist Societies - Rebuilding the Ship at Sea (CUP 1998)
- the only book so far which gives a rigorous and detailed assessment of how the triple revolution has been undertaken - in Czech Republic, Hungary, Slovakia and Bulgaria (the finishing order in the final assessment!). As befits a book written by two political scientists and a lawyer, it is stronger on the political, constitutional and social than the economic - but offers a provocative framework for considering the extent of the consolidation which has taken place. Agh (above) gives more of the political detail and a more local perspective.

Eyal G, Szelenyi I
Townsend E Making Capitalism Without Capitalists - the New Ruling Elites in Eastern Europe (Verso 1999)

Fingleton J. Competition Policy and the Transformation of Central Europe (CEPR 1995)
Fox E and Neven D

Frydman R
Murphy et al Capitalism with a Comrade's Face: Studies in the Postcommunist Transition (Central European Press 1998)

- probably the most accessible of the economic texts.

Linz J and
Stepan A Problems of Democratic Transition and Consolidation – S Europe, S America and post-communist Europe (John Hopkins 1996)

- a remarkable and definitive book – which initially establishes the basic classifications to conduct the assessments on the extent to which the transformations are consolidated and then analyses each country and region in considerable detail and profundity. They suggest a four-part classification for non-democratic regimes

- Authoritarian
- Totalitarian
- Post-totalitarian
- sultanistic

A "consolidated" democracy is one which combines behavioural (elite), attitudinal (public) and constitutional elements. Five conditions are suggested -

- Free and lively civil society
- Relatively autonomous and valued political society
- Rule of law to ensure legal guarantees for citizens' freedoms and independent associational life

- Usable state bureaucracy
- Institutionalised economic society

Each of these interacts with the others - and affects the outcome of transition. They also bring in five other important, but less major, variables - (a) the leadership basis of the prior regime, (b) who controls the transition, (c) international influences, (c) political economy of legitimacy and coercion (relationship between citizen perceptions of economic efficacy and of regime legitimacy) and (e) constitution-making environments.

An institutional approach is taken - which allows them to suggest that Havel's decision in 1990-91 of not reforming the Federal constitution (compared with the Spanish determination to get that issue out of the way before elections) led directly to the Velvet divorce. Such an approach does give a satisfactory balance in the argument between "path-dependent" choices and areas of autonomy where political leaders had real choices.

This study is the culmination of a lifetime's study of the transformation process; is written elegantly and with very detailed references for follow-up study. A veritable encyclopaedia!

Lowehardt J. The Reincarnation of Russia – struggling with the legacy of communism 1990-1994 (Duke 1995)

Rose R, Mishler

and Haerpfer C Democracy and its alternatives - understanding post-communist societies
(Polity 1998)

- a very useful starter for those unfamiliar with Central Europe, this book is based on the findings of the New Democracies Barometer which has, since 1991, polled public opinion in post-communist countries about the strength of attitudes (of various groups) to the new political and economic regimes. It suggests that four features are of central importance in assessing regimes -

1. does the government accept the constraints of the rule of law?
2. do institutions of civil society operate free of government control?
3. are there free and fair elections with mass suffrage?
4. is control of government held by officials accountable to the electorate directly or through a representative parliament?

The book explores both demand and side aspects; is positive about the rising demand for democracy; and about the unlikelihood of undemocratic regimes supplanting the present systems but suggests that certain countries are doomed to "broken-backed democracy".

Stark D

Bruszt L Postsocialist Pathways - transforming politics and property in East Central Europe (Cambridge 1998)

- an American economic sociologist and a Hungarian political scientist have produced one of the few books which grapples realistically with the key dilemma confronting Central Europe - can the transformation of property regimes and the extension of citizenship rights be achieved simultaneously?

They look at the experience of privatisation in three countries - Hungary, East Germany and the Czech Republic - initially at the terms in which the debate on various options was couched (with a more sustained debate in Hungary).

Tismaneanu Reinventing Politics: East Europe from Stalin to Havel (Free Press 1993)

Fantasies of Salvation; democracy, nationalism and myth in post-Communist Europe (Princeton 1998)

- one of the most insightful commentators of the area - although curiously neglected in the literature!

Verdery K. What was Socialism, and what comes next? (Princeton 1996)

- the author was one of the few Western anthropologists who was allowed to do fieldwork in Central Europe - first in the 1970s (on Transylvanian villages) and then during the 1980s - and this is a fascinating collection of essays which give new perspectives on the "transition" process (the last chapter is entitled "A Transition from Socialism to Feudalism?"). She gives powerful vignettes of how the Ceausescu regime "stole people's bodies and time" and suggestive reflections on the language and symbolism of post-socialist nationalist parties in Central European countries (anti women she suggest as partly a reaction to the socialist push to equality). But the centrepieces are the essay on "**The Elasticity of Land** - problems of property restitution in Transylvania" and the piece on "Faith, Hope and **Caritas** in the Land of the Pyramids" - the first based on close study on how the Land Commission in her area carried out its work (how arbitrary and corrupt the local commune officials were); the second on the attitudes to and learning about money represented by the pyramid scheme based in Cluj during 1990-94.

The Political Lives of Dead Bodies - reburial and post-Socialist change (Columbia 1999)

Articles

Diamond

Havel V The Sad State of the Republic - Presidential address to the Czech Parliament (New York Review of Books
March 2 1998)

- a powerful and typically clear and painfully honest assessment of the progress made after 7 years of freedom. Little wonder that he so unpopular amongst the political class! Could well serve as a benchmark for all transition countries.

Holmes L. “The Democratic State or State Democracy? Problems of Post-Communist Transition” (Jean Monnet paper,
European University 1997)

- A very helpful overview of progress in the various post-communist countries, using the following criteria

TWO SNAPSHOTS

As a bridge between the previous chapter and the next, I include two very different working documents which illustrate the issues addressed in this book.

1. HAVEL'S 1997 ADDRESS TO THE CZECH PARLIAMENT

In November 1997, the Czech government, led by Prime Minister Václav Klaus, was forced to resign in the wake of allegations that, among other things, the Civic Democratic Party, led by Klaus, had access to a slush fund held in an unauthorized Swiss bank account. In the period between those resignations and the appointment of an interim government, President Havel, who had recently been released from hospital and was recuperating from pneumonia, delivered what is, in effect, a state of the union speech to the Parliament and Senate of the Czech Republic on December 9.

His address is powerful commentary on the themes of this chapter and a superb example of personal stocktaking.

Senators, Members of Parliament, Members of the Government -

With a certain degree of simplification it can be said that the life of our society—just as the life of any society under any circumstances—has two faces, one of which, in one way or another, is visible through the other.

The first face consists of the things people do: they go to work, with varying degrees of success, they engage in business, they marry or they divorce, they have children or remain childless, they associate in various ways, they go on holidays abroad, they read books or watch television and, if they're younger than most of us, they go dancing in discotheques. All things considered, I think our everyday life is incomparably better and richer now than it was in times when almost everything was forbidden and almost everyone was afraid to say aloud what he or she really thought.

The life of our society, however, has another face, which we might describe as the relationship of citizens to their state, to the social system, to the climate of public life, to politics. It is our primary responsibility to concern ourselves with this second face, to try to understand why it is so gloomy and to think about ways to brighten it up—at least a little.

At present, this face is, in fact, quite glum. Many people—and public opinion polls confirm this—are upset, disappointed, or even disgusted with social conditions in our country. Many people believe that once again — democracy or not—there are people in power who cannot be trusted, who are concerned more with their own advantage than they are with the general interest. Many are convinced that honest business people operate at a disadvantage, while dishonest profiteers get the green light. The belief prevails that in this country it pays to lie and steal, that many politicians and civil servants are on the take, and that political parties—though they all, without exception, declare their intentions honourable—are secretly manipulated by shady financial cabals. After eight years of trying to build a market economy, many people wonder why our economy is still doing so poorly that the government must frequently cobble together hastily arranged budget amendments to deal with shortfalls. They wonder why we are choking in smog when so much is apparently being spent on the environment, why prices, including rents and utilities, are rising faster than pensions and social benefits. They wonder why we should have to be afraid to walk at night in the centres of our cities and towns, why almost nothing but banks, hotels, and mansions for the rich are being built, and so on. In short, more and more people are disgusted with policies they understandably and rightly hold responsible for all these unfortunate things, and

although they freely elected us, they regard us all with suspicion, if not outright repugnance.

Don't worry, I'm not about to undertake a lengthy sociological analysis of these ominous realities. I will mention only two causes, or more precisely, two sets of causes. The first set I would describe as "historical." This is a Czech variation of a phenomenon which, in varying degrees and in similar ways, has occurred in all the countries that have rid themselves of communism. It could be described as a post-Communist form of debilitation. Every judicious person must have known that something like this would happen. Few of us, however, foresaw how profound and serious this debilitation would be, or how long it would last. For, along with communism, the structure of daily values held in place by the system for decades collapsed overnight, and along with it the way of life that evolved from those structures collapsed as well. The "time of certainties"—certainties that were, to be sure, small-minded, banal, and suicidal for society, but certainties nonetheless—gave way to a time of freedom. To many, given their previous experience, this freedom must have seemed boundless and therefore utterly seductive. With it, completely new demands were placed on individual responsibility, and many found this responsibility unbearable. I sometimes compare this odd state to the psychosis that follows imprisonment, when a prisoner used to living for years in a narrow corridor of carefully devised rules suddenly finds himself in the strange landscape of freedom, where he must feel that everything is permitted, and at the same time is overwhelmed by the immense need to make decisions each day and take responsibility for them.

I would like to believe that young people who have grown up after the collapse of communism are free of this terrible post-Communist syndrome and I look forward to the day when they take public affairs into their own hands. For the time being, however, this is not the case and we can only remain perplexed at how long society is taking to adapt to the new and more natural conditions of life, and how profoundly the era of totalitarianism has seeped into our souls.

Of course, it would be unfair to blame everything—in a way so familiar to Marxists—on blind historical inevitability. A role no less important, and in some senses even more important, is played by a second set of causes. I refer to what we ourselves have wrought. When I say "we," I mean all of us who have served as elected representatives since November 1989, but chiefly those elected representatives of the independent Czech Republic. I mean all of us in a position to have had an influence on the course our country has taken over the past five years. At the same time I have no wish to single out anyone according to degree of responsibility or blame, however obvious it may be that some are more responsible than others. That's not the point here. The point is, at the very least, to identify our own faults.

It seems to me that our main fault was vanity. Since November 1989, the transformation processes unfolded in the Czech Republic more or less uninterrupted, undisturbed by major political upheavals. Thanks to this, we were genuinely further ahead in some things than other countries—or so it seemed at first. Very likely this went to our heads. We behaved like arrogant students at the top of their class or spoiled only children who feel superior to others and think they have the right to tell others what to do. This vanity combined in an odd way with petty bourgeois provincialism, an almost retrograde mentality. For example, we destroyed any pretence of close political cooperation with our closest neighbours—I have in mind what was called the Visegrad Group—because we saw ourselves as better than they were. Today, when we have been invited to enter the emerging European Community with them, and they, on the contrary, are further

ahead than we are in some things, we have had to struggle to renew that cooperation with them.

Many of us ridiculed anyone who spoke of global responsibility. They claimed that, as a small country, it was more appropriate for us to focus exclusively on our own small Czech problems. Today, we have to struggle to convince our people that we will only enjoy a guaranteed security if we are prepared to bear our share of the responsibility for Europe and the world, and we must persuade the North Atlantic alliance that we know this. We were hypnotized by our own macroeconomic indicators, heedless of the fact that sooner or later these indicators would also reveal what lay beyond the horizon of the economic or technocratic world view: that there are factors whose weight or significance no accountant can calculate, but which nevertheless create the only thinkable environment for any economic development—I mean the rules of the game, the rule of law, the moral order from which every system of governance derives and without which it cannot function, a climate of social concord.

The declared ideal of success and profit was defiled because we permitted a state of affairs in which the most immoral became the most successful and the greatest profits were made by thieves who stole with impunity. Under the cloak of an unqualified liberalism, which regarded any kind of economic controls or regulations as left-wing aberrations, the Marxist doctrine of the structure and the superstructure lived on, though paradoxically it was hidden from view. Morality, decency, humility before the order of nature, solidarity, concern for future generations, respect for the law, the culture of interpersonal relationships—all these and many similar things were trivialised as "superstructure," as icing on the cake, until at last we realised that there was nothing left to put the icing on: the forces of economic production themselves had been undermined. They were undermined because—with apologies to the atheists among you—they were not cultivated in the strict spirit of the divine commandments. Drunk with power and success, and spellbound by what a wonderful career move a political party was, many began—in an environment that made light of the law—to turn a blind eye to one thing and another, until at last they were confronted with scandals that brought into question our greatest reason for pride—the privatisation process.

Man is a social being. He needs to associate with others in a variety of ways. He needs to participate in public affairs, be it only in his own small world. He needs to work for the general good. That, too, was somehow forgotten. The phrase "the citizen and the state" was bandied about, but it had the effect of isolating the citizen rather than engaging him. And so, to cheer him up, and also because it seemed appropriate, the word "family" was sometimes thrown in. Otherwise there was nothing between the citizen and the state but a great wasteland. All that remained was the Party, with a capital "P." In the process, the necessary evil of local self-government was forced into the party yoke. Fortunately, it didn't entirely submit, with the result that today, local self-government is one of the healthiest sectors of the state.

And the state as such? It should be small but strong, they say. Yet I'm afraid the exact opposite is true: the state is large and weak, clearly because we didn't have the courage to confront its inherited form.

I could go on at some length, but I've come before you today not out of an obsessive need to lament, nor to pick masochistically at my wounds, nor even to flaunt the wisdom of hindsight, which in the end would only lend credence to the utterly false notion that we've lost everything and achieved nothing. I have come before you for another reason: to meditate briefly on what lies ahead and what we must do to transform the gloomy countenance of our common life to one with a sunnier disposition.

Since I love order, I will, with your permission, number my points. I can tell you in advance that there will be ten of them.

1) From what I have already said it should be clear which of the many tasks that lie before us I consider the most important. It seems to me that the government, regardless of who forms it, and you—senators and members of parliament, and all elected representatives at all levels, and indeed everyone active in public life—should say clearly to our fellow citizens that real human community and real prosperity are thinkable only if clear, good, and widely understandable and respected rules govern the various areas of life. Respect for those rules may of course be reinforced by the swift and strict punishment of their violation. But that is, and will always be, only a secondary measure. The most important thing is that this respect take root in people's minds so deeply that it becomes a matter of honour to observe the laws, not to flout or circumvent them. To put it another way: without a broad cultivation of the moral order, which alone can be the source of respect for the rules of human community, and thus as well the mortar of our civil society, we will have no chance of achieving social peace, stability, contentment, and prosperity. Today more than ever before, I am convinced that all of us who influence what goes on in this country must accept this principle as our own and attempt each day to imbue our political work with it. The citizens and the media must monitor us carefully, to see if we are really doing that job, and should they determine we are not, they must use every means the democratic system affords to replace us with better people.

2) The entire system of technical rules that governs our life together, that is, our legal order, must be infused with a spirit of justice and decency. You, the members of our parliament who pass the legislation that is binding on all citizens, have a singular role to play. At present, because of unprecedented changes within it, our legal system is extremely tangled and complex. Very few know how many laws are actually in effect, how many have been ended or superseded by other laws, and what binding regulations follow from them. Ever narrower areas of the law require experts to interpret them, and many of us today cannot get by without a lawyer or a team of legal advisors. I am deeply convinced that the clearer, more transparent, and comprehensible our legal system is to citizens, the greater our hope that it will be respected. Therefore, in addition to the routine passing of new legislation or the amending of old statutes, I urge you to pay greater attention to bringing order into our legal system and to attend to its incremental simplification and clarification.

3) The network of local governments and the civil service is the nervous system of the state. I consider it a great and fundamental task of the period ahead of us to begin reforming this system with all necessary speed. Our country has suffered greatly because this reform has been put off for so long. You have recently passed the first piece of legislation preparing the way for such reform—that is, the constitutional law on the regions. Now you will have to pass a whole set of further legislation based on this constitutional law, as well as the long overdue legislation on the civil service. Why is reform of the public administration so necessary? For many different reasons, which I'm afraid were never very clearly explained to the public. Therefore, in addition to passing the relevant legislation in the near future and implementing everything that follows from it, I consider it important as well to undertake a public education campaign to inform citizens about why these measures are important, to explain why many jurisdictions previously administered by the state must be devolved to local governments, and why some basic matters that transcend the municipality must be the

responsibility of the regional governments, and why institutions until now dealt with from Prague should be handled by the regions. It is absurd that at the same time as we are building a market economy, many of us are untroubled by the fact that entire areas of social life—like the civil service—carry the birthmark of the Communist system of rule, including their high degree of politicisation. It is not true that after reforming the public service there will be more civil servants and more bureaucracy. Unless the job is impossibly botched, the exact opposite should be true.

4) Today Europe has an opportunity unprecedented in its long and rich history. Europe has always been, in a sense, a single entity. We now have a chance to ensure that its internal organisation as a political entity will not derive from the dictates of powerful nations, or from agreements concluded behind the backs of the others, but that it will be founded on the free and equal cooperation of all, a co-operation flowing from shared democratic values. It is proper that the main effort of Czech foreign policy is directed toward encouraging integrated European structures. As citizens of a small country in the very centre of Europe, which has always been a crossroads for the most diverse geopolitical interests, we at long last have the hope that we will be firmly anchored in the European political environment. Our anchor will be primarily our future membership in the European Union, and in the North Atlantic alliance.

A peaceful and cooperative Europe is unthinkable without a collective defence system, and the only institution capable today of providing this defence is NATO. The expansion and transformation of NATO is therefore vital to the successful political integration of Europe. I have no doubt that a decisive number of our elected representatives know that they have the honour of being in a historical position to take the appropriate steps to ensure a peaceful and satisfying life for the many generations that will follow them. It is all the more unfortunate, therefore, that to this day we have been unable to explain these things persuasively enough to our fellow citizens. Perhaps the fault lies once more with our regrettable focus on mere economics. It has relegated to the background a question as fundamental as the security of the state, without which no economy can flourish or perhaps even exist. The great task, not only of Czech foreign policy but of all our elected representatives, is not only to intensify efforts aiming at our acceptance into the European Union and NATO, but above all to make clear to our fellow citizens the historic importance of these efforts.

The Czech Republic has existed now for five years, and we can hope that within the next five years it will become a secure part of an integrated, democratic Europe. It would be our ultimate failure if we were to betray this hope. If we do not wish to betray it then we must—once again—begin with our own souls. By that I mean that we must declare a merciless war against Czech provincialism, isolationism, and egoism, against the illusion that some form of clever neutrality is possible. We must fight against our traditional shortsightedness, and against all forms of Czech chauvinism. In this day and age, those who refuse to assume their share of responsibility for the fate of this continent and the world as a whole will sign the death warrant, not only of the continent and of the world, but, above all, of themselves.

5) Given what I have just said, I shouldn't have to emphasise how important it is to turn our attention today to our armed forces. It is high time to pass new legislation concerning our security, defence, and military service. This will never be done properly if everything is left up to the respective ministers. It's a job for all of us, for all the elected representatives in the country. The same applies to the restructuring of the army, the proper education and training of its personnel, the modernisation of its armaments and its fiscal arrangements, and for measures to enhance the prestige of the army in society.

I could say more or less the same thing about the other security instruments of the state. If we intend to reduce crime in our country, we mustn't delegate the war on crime to the chief of police or the minister of the interior alone. It's a matter of concern for us all. If we don't understand that, we have no right to call ourselves politicians.

6) So what, in fact, is the state of our economy? Why are we of all people, who saw ourselves as setting the pace for the others in economic transformation, suddenly experiencing difficulties? Why is our economy today growing more slowly than, for example, the Polish economy? I don't share the opinion held by some that the entire transformation process was misconceived, badly thought out, and poorly directed. I would say rather that our problem is precisely the opposite. The transformation stopped halfway, which may well be the worst thing that could have happened to it. Yes, all manner of enterprises have been formally privatised, but which of them have clear and specific owners who are fully committed to enhancing their productivity and their long-range prospects? It is not exceptional for me to visit a company and discover that the managers are unable to tell me to whom it actually belongs, let alone provide its owner with a responsible account of how the company is doing. How, then, can we expect the desired restructuring of companies and entire branches of industry when there are so few transparent owners and when so many managers see their jobs, their missions, their commitments as no more than opportunities to cream off the money entrusted to them by someone else and then walk off the job? The role our banks often play in this seems very strange to me. They indirectly own companies that lose money, and the more those companies lose, the more the banks lend them. A small businessman is unable to borrow half a million crowns for a sensible and specific investment, while some shady pseudo-entrepreneur can easily borrow half a billion without anyone taking a hard look at what he actually needs it for. The legal basis of the entire privatisation process, as well as the capital market, is only now being worked out in detail. Isn't it a little late? Do we really have to pay for the rapidity of our privatisation process—a rapidity that was welcome and proper—with stolen billions, even tens of billions of crowns? If it was necessary, then someone should say so clearly. If it wasn't necessary and was merely the result of slackly applied rules, then let's clearly admit it.

Why, for example, was Hungary able to privatise a comparable part of its economy without this same vast undermining of it? And how exactly does the state participate in the ownership of enterprises? Do we have a clear conception of which enterprises are of such strategic or vital importance that the state must maintain its share of the ownership, and which can be privatised without further ado? And if such a conception does exist, why are companies already earmarked for privatisation not being privatised?

I know in what ill repute words like "conception" or "strategy" or "industrial policy" were held in this country. To a certain extent I understand why: after all, enterprises or companies had to learn how to look after themselves without depending on the state. But perhaps we carried this too far, for there are some things about which the state must have a clear opinion of their importance to it. I am not speaking here just of matters that fall within the state budget, or of areas of public interest, or public institutions like the health care system, education, culture, and the like. I'm speaking directly about the economy. I mean things like housing construction and the real estate market, transportation, utilities, and the whole infrastructural network. I'm speaking about what underpins a prospering economy and a prosperous state. It hardly seems possible that in this very sphere the state would not have its own clear position, policies, and strategies. But does it? And if it does, why isn't this more generally known? If we don't have a policy, why aren't we developing one?

In other words, it's high time our economic transformation got its second wind. It's high time for politicians to draw up an inventory of what remains to be done, and to tell

citizens, without delay, how they intend to complete the process. The more clearly this is explained, the more easily citizens will come to terms with temporary sacrifices. Given the bizarre and almost cryptic silence that now prevails, we can expect that when the first blow to their standard of living comes, whether it be a deregulation of rents or utility costs, people may well revolt in some real way, not just symbolically, as they have done for the most part so far.

7) Two years ago the legislative assembly finally passed the long-awaited law governing charitable and non-profit organisations. Many placed high hopes in this legislation. Many, including myself, were delighted by the prospect. We hoped that many of those relics of communism, whether funded from the state budget or from compulsory contributions, would finally become modern, nonprofit organizations, unencumbered by a web of silly proclamations and regulations, and essentially freer and, for that very reason, incomparably more economical and more socially beneficial. I looked forward to seeing a range of schools, hospitals, social amenities, and cultural institutions attain this new status, and gradually move to a system of multisourced financing.

In other words, I hoped they would not only receive support from the state, through the municipalities or the regions, but also enjoy large contributions from a wide variety of legal entities and individuals who would, as a result of their generosity, receive progressively increasing tax benefits. I hoped that this method of decentralised funding would meet a wide range of local and regional needs in infinitely more inventive and imaginative ways than a civil servant at the centre could have done. At the same time I looked forward to the savings to be made because the funding would no longer have to travel from its source in tax revenues, be routed through the appropriate ministry and its capital budget, to arrive finally at the organisation for which it was originally intended. I hoped that this system would give confidence to citizens and entrepreneurs, who would see for themselves how their money could be transformed into something for the general good.

I looked forward to all this in vain. How many charitable and nonprofit organisations have come into being over the past year? One? Two? And how many government-funded organisations have become nonprofit organisations? I haven't heard of a single one. Some say it can't be done without a special law. Some say it can be done according to existing privatisation laws, but no one is attempting to do so because they've found that it's more comfortable to live in the good old socialist conditions after all. All the more so because the tax benefits to those who donated money to the charitable and nonprofit sector never materialised. However it was, I see here an enormous obligation to the future and a large job to do. The innumerable confusions that plague the sphere of government-funded organisations could be made essentially simpler if the nonprofit sector could be made to work, at least in small ways, as it does in advanced Western democracies.

8) Many reforms have been carried out in social policy, and more legislation is being prepared. I would like to make note of one thing here: I welcomed the government's intention to progressively separate the pension fund from the state budget and put it under separate management. For various reasons, this seems to me an essentially better system and I believe it can even bring financial advantages, because pension funds can manage their money better than governments. At the same time, it goes without saying that the guaranteed right of everyone to a pension will not be affected. Yet, since the government announced its intentions, nothing more has been heard of the matter. I would like to believe it has not forgotten about pensions, and that there is a team of specialists somewhere working quietly and intensively on this matter.

9) No reasonable person could accuse the current government, or the government that came before it, of ignoring the environment. On the contrary, the many billions of crowns spent on various environmental projects are beginning to bear fruit in the form of mild improvements in the state of the air, the soil, and the water. Even so I am still not persuaded that there is a genuinely clear conception behind such investments. Take, for example, the very simple principle that cleaning up an environment already polluted by industry is not enough; nonpolluting industries have to be established as well. This means that, in one way or other, we have to reward those who demonstrate that they can conserve energy, or who introduce environmentally friendly technology. Yes, let the laws of the marketplace apply in this area as well. But the most fundamental of those laws is one which says that it's always cheaper to pollute less from the outset than to clean up an already polluted environment or pay the appropriate fines.

10) I have left culture to the end not because I consider it to be some superstructural "icing on the cake," but for precisely the opposite reason. I consider it the most important of all, something that deserves to be mentioned at the very conclusion of my remarks. I am not thinking of culture as a separate sphere of human activity, such as caring for heritage sites, producing films, or writing poetry. I mean culture in the broadest sense of the word—that is, the culture of human relationships, of human existence, of human work, of human enterprise, of public and political life. I refer to the general level of our culture. I am afraid it is here that we have our greatest debt to pay and therefore have the most work ahead of us.

Culture cannot be measured by the number of splendid rock stars who visit our country, or by the beauty of fashions created by world-class designers and modelled for us by world-famous models, but by something else. It can be measured, for example, by what skinheads shout in the bar U Zabránských, by how many gypsies have been lynched or murdered, by how terribly some of us behave to our fellow human beings simply because they have a different colour of skin.

This lack of culture in the broadest sense can probably, once again, be blamed on both sets of causes I spoke about in the beginning. It is a typical expression of the post-Communist syndrome and, at the same time, a consequence of how little attention we have paid to the state of our souls. Once again I repeat: it is not true that culture is a superstructure that somehow lives a parasitic existence on a flourishing economic base. On the contrary, economic prosperity is directly dependent on the cultural environment in which a given economy operates.

This is not the first time I have spoken to the members of parliament about the nonprofit sector, the reform of the civil service, and other such matters, but if I do it now, you must know I am talking about what is called a **civil society**. That means a society that makes room for the richest possible self-structuring and the richest possible participation in public life. In this sense, civil society is important for two reasons: in the first place it enables people to be themselves in all their dimensions, which includes being social creatures who desire, in thousands of ways, to participate in the life of the community in which they live. In the second place, it functions as a genuine guarantee of political stability. The more developed all the organs, institutions, and instruments of civil society are, the more resistant that society will be to political upheavals or reversals. It was no accident that communism's most brutal attack was aimed precisely against this civil society. It knew very well that its greatest enemy was not an individual non-Communist politician, but a society that was open, structured independently from the bottom up, and therefore very difficult to manipulate.

As you know, our country today is going through a political crisis. In democratic circumstances or conditions the essence of our crisis is a more or less banal event—the resignation of the government. A democratic system anticipates such events and has the means to deal with them.

And yet this very same crisis appears to many as the collapse of a regime, the collapse of democracy, or even of the world. In my opinion this can only happen because we have not yet created the foundations of a genuinely evolved civil society, which lives on a thousand different levels and thus need not feel that its existence depends on one government or another or on one political party or another.

If I criticise those who have resigned, it is not so much for any particular sin they may have committed, but far more for their indifference and outright hostility to everything that may even slightly resemble a civil society or contribute to its creation. In the final analysis, this indifference is precisely why so common a democratic event as the fall of one government appears nothing short of a Greek tragedy, and to some extent may even have become such a tragedy. Many people understandably feel that they are facing the collapse of a particular view of the state, a particular world view, a particular set of ideals.

However unpleasant and stressful, and even dangerous, what we are going through may be, it can also be instructive and a force for good, because it can call forth a catharsis, the intended outcome of ancient Greek tragedy. That means a feeling of profound purification and redemption. A feeling of new-born hope. A feeling of liberation. If, then, the present crisis forces us to think seriously again about the nature of our state, about the idea behind it, about its identity, and if it leads us to imbue our work with the result of such thinking, then this crisis will have been anything but meaningless, and all the setbacks it has caused will be compensated for many times over. We often talk about the identity of a state or a nation or a society, and more than one opponent of European integration has ranted on about national identity and tried to engender fear of its loss. Most who speak this way subconsciously understand identity as something predestined, something genetic, almost an identity of blood—that is, something over which we have no influence or control. This notion of identity is thoroughly discredited. Identity is, above all, an accomplishment, a particular work, a particular act. Identity is not something separate from responsibility, but on the contrary, is its very expression.

If the current crisis is to be an invitation to action, if it once more gives substance to our identity, then we have no reason to regret it. Let us therefore understand it as a lesson, a schooling, a test, a challenge which may well have come just in time to warn us of our vanity and save us from something far worse.

- translated by Paul Wilson and courtesy of the New York Review of Books (nybooks@com/nyrev/)

SNAPSHOT TWO- MAKING GOVERNMENT DECISIONS MORE COHERENT

For these countries the transition requires a massive change in organisational culture and behaviour which would task the highest leadership skills anywhere in the world.

It demands the courage to use your position of power to dismantle the very structure of power around you - at the same time as you have to use that system to manage the process of change!

It requires a virtually impossible combination of vision and tough skills.

Westerners also underestimate the difficulties created by the adversarial system now embedded in the new government structures of Central Europe. How can leaders develop when they are having to learn not only about the new systems - but are pushed by (new) party competition into short-term and divisive tactical manoeuvring?

The combination of shifting coalitions and strong parliaments is a common feature of most of the Region and causes a policy gridlock which has dangerous implications - witness, for example, the inertia caused in Romania by powers of legislative initiative being shared between the executive and two parliaments.

In the winter of 1998 one of Romania's leading Senators invited me to write a paper to help his thinking about how to get some order and coherence into what was a confused and angry legislative process. Like many other Central European countries, Romania had, over the previous two years, been having its first ever experience of real coalition government. At the best of times, coalition is fraught with difficulties - but the difficulties of the Romanian situation are compounded by having to work with an administrative machinery of government that also needs major.

*It is important to distinguish these **two different issues** - the first, the challenges arising from the coalition situation, requires the creation of a more informal process of communication; the second requires formal changes in the structure of the government machine. But **both raise critical questions about the detailed stages of drafting new proposals and laws**; and about the **precise role played at these various stages** by public servants, by Ministers, by parliamentarians, by the Cabinet, by social partners.*

I include the piece here because I believe that some simple administrative mechanisms - if properly enforced - can quickly make a difference to the Central European policy process.

Advice Note to Romanian Senators on Improving the policy process

Executive Summary

1. **New proposals from Ministries** should be required to **demonstrate at least 4 things before proposals are submitted to Cabinet** viz

- **various options** of dealing with the problem/issue have been seriously examined
- the particular proposal is **feasible** ie its implementation has been explored, operational difficulties examined (including with social partners) and that it is therefore likely to achieve the desired objective
- Coalition partners and parliamentarians have been consulted and seem likely to **support** it
- the detailed **consequences** are clear (not just financial)

2. This should be set out in a brief standard format (executive summary) - for both coalition consultation and the Gen-Sec clearance - before submission to Cabinet

3. Two of these questions are particularly important - "Will it work?" and "Will it get support?". The first is a **technical** question and should be dealt with essentially within the formal machinery of Government - although on the basis of a stricter appraisal system and of much broader external consultations with social partners. The second is the **political** question and is more properly the focus of the informal coalition forum discussions.

4. Ministers should therefore have three new procedural responsibilities –

- ensuring that draft proposals are subjected to stricter internal appraisal - using **common criteria**,
- carrying out informal consultations
- submitting a summary (**on common format**) of the proposal

5. **The role of - and supporting structures for - parliamentarians should be critically assessed and used for strategic development.**

If they have **responsible tasks** and feel **properly consulted**, they will feel less frustrated and will be less prone to "opposition-itis". This involves political recognition of the need for specialisation - both by subject and by time-scale.

At the moment the individual parliamentarian is forced to be an expert on everything.

But it is the parliamentary system as a whole - not the individual - which has to cover all subjects; and both crises and long-term strategies.

This needs to be recognised in the development of parliamentary structures to allow the production of well-researched medium-term strategies. These should use external experts and NGOs for their work - as well as drawing on public servants.

1. THE PROBLEM

Government leaders who **wish to secure continued support from the broad coalition of their supporters in parliament (let alone in the country at large)** have to develop processes to ensure that

- its declared priorities and policies are **sensitive** to both national needs and to key interests
- policy initiatives have been properly tested for **feasibility** (rather than emerge haphazardly from the bowels of Ministries)

The question most leaders find themselves asking is how well they are served in these respects by the administrative machinery at their disposal. Ministries still work in traditional styles -

- **hierarchical** (no real questioning or encouragement of creative/lateral thinking)
- **closed** (reluctant to work with other Ministries - or consult with social partners)
- **over-legalistic** (too much attention to legal detail and insufficient attention to policy aims and options - and to the practical realities of project management and implementation) As a result discussions often get lost in detail.
- **non-existent personnel management** (poor recruitment procedures ; lack of guidance and encouragement for staff etc)

2. DIFFERENT PROBLEMS CALL FOR DIFFERENT SOLUTIONS -

There are three classic functions of effective "government" –

- Managing the **immediate agenda** - (eg the weekly legislative business) which is driven by crises and short deadlines. *In one-party Government, this function can be performed by the Whip's Office - in a coalition it requires a more independent support unit for the ongoing coalition dialogue.*
- Ensuring that more **medium-term policies** are being shaped (developed in para 3 and notes). *In EU countries, strategic development is now recognised as an important element in the government machinery - with Ministries issuing "green papers" seeking public views on options before they move on to enshrine one option in legal detail. It is unrealistic, however, to expect this of the Central European administrative machinery at the moment - which is overwhelmed by the immediate agenda and under pressure for reform. More ad-hoc solutions should be sought - led probably in the first instance by those outside the administrative machinery but certainly involving some of the key people in that machine.*
- Developing an effective **machinery of implementation**

3. KEEPING IT SIMPLE

It is all too tempting to engage in major and apparently radical organisational changes - when simple **procedural changes** can be more effective, more immediate and lead to less distraction and cynicism.

Four such mechanisms seem to me to be useful for countries in transition -

3.1 clarifying the initial instruction

When Central European Ministers currently tell their civil servants to do some work on an issue, it is not done in a sufficiently detailed manner. The officials are left confused about what exactly is wanted - and will try to give the Minister what they think he wants (they may or may not get that right!). The Minister may feel he already knows what is needed - and just wants the legal detail (he may or may not be correct in this!).

Because there is no open or systematic discussion at the beginning about the ultimate purpose - and the different ways of achieving this - and no guidance given on consulting to check, for example, on feasibility, considerable amounts of time may be wasted by pursuing the wrong option.

It would save considerable time and confusion if, **right at the beginning**, time was taken for a disciplined discussion on what exactly the changes should produce - the different ways in which this could be achieved - who should be consulted; and if this was then drafted by the civil servant in the form of a brief **quasi-contract** (certainly for the more important issues). See para 5 for draft.

3.2 Interdisciplinary working groups

3.3 testing the initial results - **devil's advocacy**

When such work is finished, it should be subjected to a tough cross-examination. This should be done on the basis of the presentation of a standard 1-2 page format ("summary proforma") - clearly specifying such things as-

- what the measure is supposed to achieve (and how that links to the Coalition's priorities)
- exactly what options were examined
- what tests were applied to these ; and how they each fared
- who was consulted
- which option is being recommended
- what its consequences will be

This cross-examination could be done internally - but consideration should be given by the General Secretary's office to establishing, at least for an initial period, a pool of independent experts specially trained for this purpose. They would be given the summary proforma the evening before the meeting (more notice than most Cabinet Ministers!) and would be - as generalists - in the same position as the Cabinet Ministers, having to use common sense to probe for problems.

Only the Ministerial staff could realistically be expected to make any changes as a result of such a "devil's advocate" process. But **only if** such a summary proforma had been produced - and such a process undertaken - would key proposals be allowed to proceed to the next stage (whether Cabinet or informal Coalition consultation).

4. THE THREE DIFFERENT ROLES OF A POLITICAL SYSTEM - how to achieve them - and diminish negative political conflict

Organising a focussed and realistic political agenda - which reflects general concerns - and which has been coherently prepared for (implementation) is the real test of leadership. But it will not, in itself, avoid political trouble.

All elected politicians feel important; yet few are given the position which gives real satisfaction. **Leadership involves not only effective agenda-management - but also managing the politicians.**

Leaders tend to be so caught up with crisis management that they don't realise how frustrated (if not jealous) their colleagues are.

This is a powerful factor in explaining the unacceptable levels of conflict in political life - which cause the policy incoherence and drift. Yet there is more than enough to keep all politicians positively active. One of the early things we did in Strathclyde was to recognise that an effective political system required **support for three very distinct political roles but that this was not reflected in support structures -**

- Leadership ; at most 10 of the ruling group of 70 in my region actually exercised significant leadership positions in the sense of selecting agendas and managing the business. The formal administrative machinery which engages the time of the leaders had been created to satisfy legal requirements - not to ensure democratic purpose.
- Local representation ; all of the politicians had, however, been elected to represent the interests of a geographical area - although they received no technical help in performing this role (and indeed, when they raised local issues in the committees, were seen as acting parochially). We created official local structures formed by local officials, representatives of local NGOs, chaired by the local politician ; and gave them the formal responsibility for drawing up local strategies to improve the services in the area. These were popular (they gave local politicians real visibility) and effective - and also helped keep the Departments on their toes. In this context I was interested to read at the weekend that, although the British public currently have a poor view of politicians as a whole this does not extend to their local MP - who is always in the local press and seen as working hard for their interests!
- Policy development ; as indicated above, we knew that we had inherited large Ministries which were centralised and complacent. Simply adding a small Unit at the top to try to get them to work together more - and in a different way - we knew was not enough. We needed to ensure they felt under pressure from other sources. Most of our political colleagues spent their time sitting in Committees overseeing the work of each of these Ministries - having to support the lead of the Minister who, whatever his individual initiatives, rarely

fundamentally challenged the Ministry's fundamental direction. Despite the appearance of democracy, these structures just sustained prevailing professional systems and practices - and made inter-agency work impossible. Child-care, for example, was the focus of important programmes and policies in at least three Ministries and several NGOs - yet there was no co-operation. So we set up task-forces of 12 individuals - half politicians, the other half middle-level officials - around such themes and invited them to carry out a critical review of present policies and practices - and to bring forward proposals for change. Again, these were highly successful; those taking part found the work very satisfying (and working closely with experts from the Departments made the politicians much more realistic about the constraints of government!). Some 30 such groups were established on key issues facing the region and their recommendations largely implemented. The volume of the work involved in dealing with present legal drafts and crises seems to leave no time for a longer time perspective. At the moment everyone (politicians, officials and advisers) is trying to do everything. Some specialisation is needed! Some individuals need to be released (or release themselves) to work on medium-term issues - and in structures which bridge the unhealthy divisions between officials, politicians, advisers, social partners, Departments etc (link with para 2.2)

5. A STEP-BY-STEP approach to change

This paper is sensitive to the very real difficulties and pressures on the key people here - in government, parliament and Ministries. Big **reorganisations** (changing administrative structures) **can so often** (not always!) **just waste time and de-motivate people**.

Effective change is most often the result of leadership having the courage to adopt - and insist on the continued observation of - some simple **procedures** which send clear signals about the need for a more open and rigorous style of work.

But, clearly, this does not happen overnight - the most immediate requirement is that those at the top understand and agree on the urgency of getting the machinery more coherent - and go out of their way to support the changes needed. The argument of this paper is that some fairly simple improvements can then begin to transform the present frustrating situation - viz

5.1 The Prime Minister should, with the assistance of the General Sec of the Government, set up some simple mechanisms to ensure that the policy work of senior civil servants is carried out in a more disciplined, rigorous but open manner; and that, before **key** proposals are submitted to Cabinet for approval, they will have been -

- summarised on a proforma to demonstrate the options explored - and the detailed consequences which can be realistically anticipated from the change ([see par 5 below](#))
- subjected to critical scrutiny by a special panel (see 2.2 above)
- discussed and cleared by the counterparts in the three other parties of the Coalition (2.3)
- amended by the Department and Minister if they are persuaded as a result of that experience that the proposal has weaknesses which must and can be rectified
- circulated **in summary form** to the coalition support unit for comment from the Coalition Forum

5.2 Ministers should consult with their counterparts in the Coalition parties on draft legislative proposals

5.3 Regular **meetings of coalition leaders should now be established** - for the detailed work of policy identification, options scrutiny and negotiation - but **only on two conditions** (a) that the need for these simple but profound administrative procedures at the heart of the Government process are accepted - and (b) a technical unit is established to support its work.

5.4 a **small technical unit** should **immediately** be set up to **service these meetings - in order to**

- produce **thorough but brief policy papers and recommendations** for regular meetings of coalition leaders (in the Senate?)
- ensure the detailed recommendations are properly **documented**
- **disseminate** the conclusions (and justifications)
- Such a technical support unit would do the rigorous policy papers - with managerially feasible options (but presumably **not** a single recommendation)

5.5 coalition parties should also ensure that some relatively independent analysis is being carried out which can be of assistance in the development of more medium- term strategies.

6. **THE PROFORMA** - a device for creative thinking!

This is a crucial device in these proposals - and needs to be handled with great care. Its purpose needs to be clearly explained - and the precise questions need to be phrased in a way that minimises the cynical response which can be anticipated amongst those used to detailed hierarchic control.

It cannot be emphasised too much that this is not the purpose of this device; it is rather to encourage creative/lateral thinking - a self-discipline (anticipate the problems - put yourself in the shoes of the opposition)

6.1 What will the new proposal/law **actually achieve**?

List the key expected results -

-

6.2 What are the **different ways** in which this could be achieved?

List the different options –

-

6.3 Which **approach is presently favoured** ?

Describe its **key features** –

-

6.4 What are its **distinctive advantages** (compared with the other options)?

-

6.5 What **consequences** can be anticipated -

- Financial

- political (from parliament - from public)

- on other policies (eg environment)

6.6 Which groups have been **consulted** – how and with what results and comments?

CHAPTER THREE

THE PUBLIC SERVANTS - Key Processes

Introduction

If we wish properly to understand the scope for improving public sector performance, we have to look first at how the system works

- how people are appointed and promoted
- what sort of behaviour is encouraged by these, and other, systems as a result.

Seven basic processes can be identified as crucial in shaping public-service performance -

National

1. Recruitment
2. Promotion
3. Remuneration
4. "In-service" Training
5. Links with the political system

National/Local

6. Mobility between central and local government
7. Shared learning

Local Self-government

8. Recruitment
9. Promotion
- 10 Remuneration
- 11 "In-service" training

Within each of the processes identified above, certain key issues arise - which can be handled differently in different countries. Use of this framework allows us to -

- identify the critical questions for any assessment of the civil service
- Compare the different practices in different countries
- Isolate possible options
- explore the implications for learning and training

In what follows I try to indicate some of the critical questions for each of these processes viz -

1. RECRUITMENT

1.1 **What are (considered) relevant PRE-ENTRY qualifications for trainee senior managers** ? Four can be identified -

- specialist knowledge ? (eg degrees in economics, law, public administration, engineering).

This tends to be the French and German tradition.

- analytical ? : (ie natural ability to understand the essential elements of (a wide range of) complex issues and communicate advice to Ministers).

this was the UK tradition, which led them to seek out those with broad qualifications - or those which indicated strong natural intelligence.

- managerial : (eg proven ability to manage people, project implementation)

this is the new UK emphasis

- loyalty : (to an ideology or group)

there remains a strong element of this in Central Europe

1.2 **Who "validates" (ie establishes and awards the relevant standards) of the examinations ?**

- the State ?
- the Universities ?
- professional bodies ?

1.3 **How is the Recruitment organised ?**

- by each Ministry ?
- by a Civil Service Commission ?

1.4 **Who is the Employer of staff ?**

- the individual Ministry
- a State Commission

1.5 **On what sort of contract ?**

- permanent
- limited-term
- none

It is in this area there have been most changes recently in the West : and most differences between Western and Central Europe. Western European services have been moving to "fixed-term" contracts for top jobs - while still retaining protected status for the majority. Few Central European countries have yet adopted legislation for the public service, which - as a result - is still heavily subject to political influence.

1.6 **How are senior positions filled?**

- from within the service ?
- by advertisement ?
- with what sort of political influence ?

1.7 **Is there a probation period?**

- and how (systematically) is "satisfactory performance" measured

1.8 **What are the procedures of sacking staff?**

COMMENT

It is such structures which determine the fundamental accountabilities which shape the behaviour of officials.

There can be no culture change - no real development - without public confidence that public personnel and projects are being selected on merit, on the basis of fair, agreed and clearly specified criteria.

Able public servants are needed who are appointed for their ability and willingness to get things done. Appointment procedures are widely used in other countries - and for the awarding of contracts - to ensure that appointments, promotions and sackings are transparent, defensible and systematic. Their principal feature is that they

- explicitly and clearly specify IN ADVANCE exactly what is wanted (not only the job specification but a profile of the personal characteristics needed in the job)
- enforce procedures and measurements which allow a prioritising of preferences. In many cases a separate group of people will do a preliminary selection of those who meet the specification and profile (which might include psychological testing)
- specify in advance who will do the selection : and exactly how the interview will be structured

Organisations have been slow to realise that senior personnel decisions are amongst the most important they make : and should not be decided on intuition - or on the basis of a few hours' interviews of previously unknown people.

2. PROMOTION

2.1 **Is there a career system ?** In other words -

- are careers planned : and promoted posts offered to individuals ?
- or are posts openly advertised : and the individual responsible for his own career advance ?

The British system has moved recently from the first to the second - with very profound implications.

2.2 **Who handles the promotions ?**

- an independent Commission ?
- individual Ministries ?

2.3 **What are the criteria for promotion ?**

- performance review ?
- examination ?

2.4 **Is promotion across departmental boundaries ?**

In many systems this is used to generate loyalty to the corporate system - rather than its separate bits - and to assist coordination.

3. REMUNERATION

3.1 How are "top-salaries" defined and rewarded (vis-a-vis, for example, the private sector)?

- independent review ?
- government decision ?

3.2 To what extent is "performance-related" pay used ?

- this has become rather fashionable : at precisely the time management theory is suggesting that it undermines the "teamwork" needed in the modern world !

3.3 How systematic are such reviews ?

- many Central European countries have a salary system with a significant "bonus" element : this is, however, very much at the undefined discretion of the "boss" and reflects therefore the old patronage system rather than the new achievement culture!

4. IN-SERVICE TRAINING

4.1 Who is responsible for defining the training needs of those in public service - and for designing relevant programmes ?

- each Ministry (as employer) ?
- one single Ministry ?
- the suppliers ?

4.2 Who provides the relevant training ?

- Ministry Training Centres ?
- Universities and Colleges ?
- private sector ?

4.3 What is the system of "accreditation" for such training centres ?

4.4 How are individuals "matched" to training ?

4.5 What is the motivation for the individual to undertake training ?

- obedience ?
- promotion ?

4.6 Current Priorities ?

- technical knowledge ?
- management skills ?

COMMENT : See chapter on "Training for Modernisation"

5. POLITICAL LINKS with the Civil Service

- 5.1 What is the extent of involvement of officials in early stages of policy -formulation - are there "kitchen cabinets"?
- 5.2 What is the role of the Ministers in appointing Senior Officials?
 - when vacancies occur ?
 - when Governments change ?
- 5.3 Can officials move into political positions - as in the French "pantouflage" tradition - and vice-versa ? Or does this, as with the British approach, breach fundamental values?

6. MOBILITY

- How acceptable is it for national officials to take posts in local self-government: and vice-versa?

7. SHARED LEARNING

- 7.1 How much shared training of central and local officials?
- 7.2 How often are people from different sectors brought together for seminars - eg Community Leadership scheme in Kosice, Slovakia ?
- 7.3 is general management training useful for those in the public sector?

COMMENT : structures determine our perceptions of other people and the world : people we don't meet regularly in our system are always a useful scapegoat. Separate training, recruitment and promotion systems act to sustain antagonisms between groups who should be working together.

8. LOCAL GOVERNMENT : RECRUITMENT, PROMOTION AND REMUNERATION

- 8.1 **Are there uniform conditions for entry?**
 - defined by the State ?
 - defined by local authority associations ?
- 8.2 **Who appoints the different levels?**
 - how ?

9. LESSONS FROM EXPERIENCE ELSEWHERE

Using such questions one can identify, for example, the distinctive features of national systems.

In the **British system**, for example, until very recently -

- recruitment to top management was socially restricted
- "generalist" (rather than specialised) skills are valued for young top-managers
- the older "established" Universities (and professional bodies) are used for validation
- there has been a strong principle of separation of politics and administration
- and a rigid separation of central and local government

Such features have, it is argued, created divisions, "blindness" and conflict - and seriously affected the effectiveness of successive British Governments (Hennessy).

Tammany Hall : USA Style

At the other extreme, almost, we have the American "system" - shaped of course in the last hundred years by Irish, Italian and Central Europe influences !

And it was these excesses of party control in America at the end of the last century which caused the backlash from "Progressives" such as Woodrow Wilson from which came Public Administration as we have known it! In particular the attempts to separate the political and professional roles and to inject some "fairness" and "transparency" into appointments and decisions!

An article in the American journal Public Administration Review looked at how various stages of subsequent development this century can be seen as response and counter-response to the dilemmas which arise as you try to control such patronage and corruption.

Corruption Control Vision	Antipatronage (1870-1900)	Progressive (1900-1930)	Scientific Management (1930-1970)	Panoptic (1970-1990)	Revisionist (1990s)
Strategy	Credential and competence testing	professionalism	External control	Law enforcement	Public entrepreneurship
Perceived causes of problem	Partisan control of personnel	Partisan, unprofessional administration	Inadequate organisational controls	Inadequate monitoring	Bureaucratic pathology
Key policy prescription	Merit system	Electoral reform, independent regulatory commissions, expertise	Government reorganisation and centralisation	Surveillance fiscal controls	Market Privatisation
Implications for public admin	Peer enforcement of norms; personnel controls	Enforced standards of efficiency	Spans of control Agency control	Strong auditing and investigative agencies	Decentralised de-bureaucratized structure; less corruption control

Five "Central Visions" are identified in that article - Antipatronage, Progressive, Scientific Management, Panoptic and Revisionist - each of which had (a) a particular perception of the problem, (b) a strategy and (c) implications for public administration.

Clearly many Central European countries are somewhere between the first and second stages: in this situation it is perhaps highly dangerous for Western consultants to be advising them to espouse the "revisionist" model - when what they patently need is some experience of the elements of the Scientific Model! (Coombes)

AUSTRALIA : KEY PUBLIC SERVICE VALUES

RESPONSIVENESS TO GOVERNMENTS

- serving loyally and impartially ministers and governments
- providing frank, honest and comprehensive advice

A CLOSE FOCUS ON RESULTS

- pursuing efficiency and effectiveness at all levels
- delivering services to clients conscientiously and courteously

MERIT AS THE BASIS FOR STAFFING

- ensuring equality of opportunity
- providing fair and reasonable rewards as an incentive to high performance

THE HIGHEST STANDARDS OF PROBITY, INTEGRITY AND CONDUCT

- acting in accordance with the letter and spirit of the law
- dealing equitably, honestly and responsibly with the public
- avoiding real or apparent conflict of interest

A STRONG COMMITMENT TO ACCOUNTABILITY

- contribute fully to the accountability of the agency to the government, of the government to the parliament, and of the parliament to the public
- fully supporting the administrative and legal measures established to enhance accountability
- recognising that those delegating responsibility for performance do not lose responsibility - and may be called to account

CONTINUOUS IMPROVEMENT THROUGH TEAMS AND INDIVIDUALS

- striving for creativity and innovation
- making individual and team performance count

10. WHICH PUBLIC ADMINISTRATION?

Public Administration theory and practice in Central Europe differs from that of the norms of Western Europe in several important respects -

- highly legalistic

- authoritarian/hierarchical
- absence of professional class of senior civil servants with an independent ethic of public duty
- strong political patronage
- no sense of managerial output or performance : or of public "service"
- missing guidance on "private interests"

Most of the Technical Advice being given at the moment assumes that there is a "Western" model of Public Administration is the one to which Central Europe can, should and wants to approximate. And therefore focuses on that.

There are several problems with this approach -

- (a) there is no single model
- (b) Western thinking and practice has been profoundly changing in the past decade and
- (c) it may not be realistic for Central European countries to try to move immediately to the developing model.

The Classic Model has 2 basic features -

- "The idealisation of career public service professionals, highly insulated from the general labour market and differentiated in the way that business is done, the kind of staff hired and the way they are paid and promoted.
- (The other feature is) a battery of generalised rules limiting the discretionary power of public servants in the conduct of business - particularly at the point where they meet the "corrupt world" outside - notably for staffing decisions, the letting of contracts and the handling of money and other assets" (Hood : p167 Public Administration spring 1995)

These are 2 key elements in "classical" public administration which are currently missing here in Central Europe. The other elements of that model are familiar here and are based on the following assumptions -

- public provision of a function is more equitable, reliable and democratically accountable than provision by a commercial or charitable body
- where a ministry is responsible for the function, it normally carries out that function itself with its own staff
- and provides it uniformly to everyone within its jurisdiction
- operations are controlled by a hierarchy of continuous supervision
- employment practices (including promotions, grading salary scales and retirement) are standardised throughout the service
- accountability of public servants to the public is through elected bodies

A Moving Target

The problem is that such assumptions are no longer universally accepted.

Britain in the past 15 years has led the field in challenging and dramatically changing every single one of these assumptions

- "privatisation replaces, wherever possible, decisions by civil servants with market decisions - replacing equity, impartiality and justice with consumer choice.
- contracting out and hiving off replace the assumption about agency self-sufficiency
- uniform universal provision gives way to user charges and choice among competing providers
- direct hierarchical supervision has been replaced by contractual relationships (collective and individual)
- the loosening of recruitment, grading and pay rigidities have become a prime objective in obtaining greater productivity
- accountability only through elected bodies has been bypassed by Citizen charters, ombudsman and control through non-elected quangoes" (Dunsire)

Such a dramatic shift represents a move from Public Administration to Public Management : but different countries have taken different paths - for different reasons. We do not yet, in other words, have a coherent model here (see next section).

11. WHO DOES WHAT ?

One of the most important questions relates to **the role of the civil service in policy formulation** (Dror)

What sort of dynamic is expected between the State Secretary and the Minister ? (or between local councillors and the professional advisers ?)

- Is the official actively involved in such critical issues as (a) problem definition and (b) the search for technically relevant solutions? (Ben Heirs)
- Or is he expected simply to implement ad-hoc (and very often contradictory) instructions from the politicians?

Tension between politicians - particularly reforming ones - and the senior members of the permanent civil service is a natural feature of government. One system represents change: the other continuity. Indeed the virtues prized by the traditional British Civil Service was scepticism in the face of the naive enthusiasms of their (temporary) political masters.

And many reforming British local self-governments of the 1980s were persuaded to make appointments of politically sympathetic officials (Widdicombe).

Governments in Central Europe have had even more reasons to distrust their civil servants. They have therefore tended to bring in their own people: or take decisions without consulting or listening to the professionals.

A more balanced approach is needed - recognising that reform needs committed leadership at the top but without running the dangers of "groupthink" (t Hart).

Effective leadership is comfortable with uncertainty: and deals with it by inviting others to help him define issues properly - and taking time to explore possible solutions with others.

Policy-making has very clear stages - and the role played by experts and politicians varies according to the stage.

The stages are -

	Politicians	Official advisers/Experts	Public/NGOs
Defining the problem			
Explaining it			
Searching for (technically relevant) solutions			
Assessing their impact; costing etc			
Selecting an option			
Drafting a law on that basis			
Debate			
Implement			
Evaluate			

At the moment in Central Europe, people tend to jump the first 4 stages. The result is -

- confused and polarised argument
- initial "procrastination"
- inadequate legislation
- cynicism
- need for later amendments
- general waste of time (much of which could have been more productively used if people had initially respected the relevant stages of policy-making, as set out above !!)

"Openness" and creativity are required for some of the stages - discipline and clear task specifications for others.

Further Reading

a. POLICY ADVICE in Government

Barker A

/ Peters The Politics of Expert Advice
Advising Western European Governments (both Edinburgh University Press 1993)

Blackstone T

Plowden W Inside The Think-Tank - Advising the Cabinet 1971-1983 (Mandarin 1990)

Cockett R Thinking the Unthinkable - think tanks and economic change ()

Davies E Public Spending (Penguin 1998)

- the clearest book I've found on this issue.

Dror Y Policy-making Reexamined (Transaction Books 1983)

Polycymaking Under Adversity (Transaction Books 1986)

"School for Rulers" in de Greene (ed) A Systems-Based Approach to Policy-making (Boston 1993)

- the guru on policy advice perspectives and systems for Governments.

Heidenheimer A.

and Hecló H Comparative Public Policy - the politics of social choice in America, Europe and Japan (3rd edition St Martin's Press 1990)

- THE book for anyone in Central Europe wanting the details on the key elements of the policies of these countries and the developments which were taking place in the 1980s. It contains chapters on Education Policy, Health Policy, Housing Policy, Economic Policy, Taxation Policy, Income Maintenance Policy, Urban Planning and Environmental Policy. For each of these areas, four types of choice are examined -

1. Choice of Scope: particularly between public and private provision

2. Choices of Policy Instruments: eg the level (national/local) or direct provision/contracting/certification

3. Choices of Distribution

4. Choices of Restraints and Innovation

Parsons W. Public Policy : an introduction to the theory and practice of policy analysis (Elgar 1995)

- at 675 pages, seems quite comprehensive !

Plowden W Advising Rulers

- looks at various European examples : and has an accessible piece from Dror.

Rubin I.S The Politics of Public Budgeting - Getting and Spending, Borrowing and Balancing (2nd edition : Chatham 1993)

Stone Deb. Policy Paradox - the art of political decision making (2nd edition Norton 1997)

a marvellous text which takes issue with the "rationalistic" approach which tends to characterises policy analysis books which "assume that problem definition is a matter of observation and arithmetic - measuring the difference between the two. Part 2 of the book demonstrates that "the ideal of **equality** can yield multiple distributions. **Efficiency** is a standard amenable to numerous conflicting interpretations. **Security** encompasses complex needs that change even as they are satisfied. **Liberty** conceived as activity without harms to others turns out to be a very small sphere in modern society; conceived as control over one's life and well-being, it is a perennial quest.

The goals of policy are thus vague, contradictory and protean. The status quo is equally unstable. Part 3 of the book looks at the **type of language used by groups for portraying policy problems - symbols, numbers, causes, interests and decisions.**

b. Civil Service Systems

Good up-to-date material on this has been missing until recently (Rowan's comparative book of the 1980s is both outdated and out-of-print).

Bekke HAG Civil Service Systems in Comparative Perspective (Indiana Univ Press 1996)

- comes from joint workshops between European and American academics and covers such topics as

- the evolution of Civil Service systems

- internal labour markets

- the representativeness of civil services
- politicisation
- public opinion
- configurations
- reform agendas and experience (Hood is a must here)

Fandez J Good Government and Law (Manchester – British Council)

Hennessy P. Whitehall (Fontana 1990)

- this 740 page treatment of the challenges and changes faced by the British Civil Service in the 20th Century is probably unparalleled in the world literature. Anyone interested in public sector reform has to study it closely.

Moshe and

Lane JE Comparative Public Administrations - volumes 1 and 2 (Ashgate ISBN 1840140720 - £180)

Etzioni

-Halevy E Bureaucracy and Democracy (Routledge 1993)

Farrel H. Public Administration : a comparative perspective (Dekker, New York 1996)

Hood C and

Peters Guy Rewards at the Top (Sage 1994)

Page Edward Political Authority and Bureaucratic Power - a comparative analysis : (1992 - 2nd edition Harvester Press)

Peters G Comparing Public Bureaucracies : problems of theory and practice (University of Alabama Press 1988)

PUMA „The State of the Higher Civil Service after Reform in Britain, Canada and the USA“ (PUMA 1999)

Rowat DC Comparative Public Administration (1985) A lot has happened since the publication of this book - but it does contain a fascinating set of comparisons.

Ziller Jacques Administrations Comparees (Montchrestien 1993)

The early SIGMA papers (see website www.oecd.org/puma/sigmaweb)

c. Public Administration Reform in Central and Eastern Europe

Coombes D and

Verheijen T Public Administration Reform - exchanges between central and Western Europe (European Commission 1996)
- a very worthwhile exploration of west and central european experiences through three perspectives ; east, west and then jointly.

Hesse J.J. Administrative Transformation in Central and Eastern Europe : Toward Public Sector Reform in Post-Communist Countries (Blackwell 1993)

- see also chapter in Lane book in 2.3 above

Jabes J (ed) Developing Organisations and Changing Attitudes: public administration in C and E Europe (NISPAcee 1997)

- the proceedings of the fourth annual conference of the network of institutes and schools of public administration in central and eastern Europe.

Manitoba

University Lexicon of Terms and Concepts in Public Administration, Public Policy and Political Science (Osnovy Pubs, Kiev 1998)

Articles/papers

Balducci M. "Training Civil Servants in the administrations of Central Europe": The International Review of Administrative Sciences (March 1994)

Jabes J and

- Vintar M. Public Administration in Transition (Proceedings of NISPAcee Bled Conference 1995)
- Nunberg B The State after Communism - Administrative Transitions in Central and Eastern Europe (unpublished World Bank draft 1998)
- there are, so far, very few detailed assessments of the changes in the various countries of their administrative machinery. This covers Poland, Romania, Hungary and the former DDR.
- Srica "Managing People in Central Europe" in Garrison and Rees Managing People Across Europe (Butterworth 1994)
- Verheijen T. and
Dimitrova A. "Private Interests and Public Administration : the central and Eastern Europe Experience" - International Review of Administrative Sciences July 1996

CHAPTER FOUR

TOWARD MORE EFFECTIVE GOVERNMENT

- What has Western Europe learned from the past 25 years ?

Background Note

Encouraged by the examples set by Britain, New Zealand, Australia and Scandinavia, government reform has become all the rage throughout the world in the past ten years. Initially involving the divesting by government of industries such as Steel, Gas and Telecommunications, the reform of government has spread deep into the thinking about how the basic machinery of government and of social services should be managed - and what that means for the role of government.

The talk is now of the "enabling" state - of government no longer trying itself to produce things and run services but rather focussing on strategic purposes and then giving independent public agencies the budget and guidelines in contractual form. And relying on a mixture of independent regulation, quasi-market forces and arm-twisting to keep them on target.

Now no self-respecting politician - left or right - wants to be left behind from organisational change. From something that is variously seen as the "march of managerialism" or the "march of the market". And the changed climate gives more courage to challenge staff interests and traditions of public service - although France and Germany are having their problems currently! The inevitability of global change, the OECD or the European Union can, however, be blamed!

The current ferment in and about the machinery of government reflects the enormous advances in the thinking about management and organisational structures over the past 15 years as we have moved away from mass production methods further into a "Post-industrial" era.

Technical change has killed off the slow-moving dinosaurs, given consumers new choices and powers: and small, lean structures a competitive advantage.

The very speed and scale of the change, however, pose issues for the political system which need to be confronted -

- do political leaders really understand the reasons for the changes in the machinery of government ? Are they clear about the "limits of managerialism" - in other words about the identity of and defining features of public services "which seldom face market competition, rarely sell their services, cannot usually decide on their own to enter markets, are not dependent on making a profit and have multiple goals other than efficiency" (Goldsmith)

- do they have the determination and skills to manage a change programme in a coherent way : dealing with the resistance they will encounter ?

- as activities are delegated, decentralised and passed to the market, how will this affect the role of the politician ?

All of this requires new management skills in the public service: and strategic skills in our politicians.

This chapter started life as a discussion paper for the Public Administration Committee of the Slovak Parliament - as they prepared to debate proposals for administrative decentralisation. As I listed, and thought about, the rich variety of attempts which Britain, for example, had made over the past 25 years to reform its public administration system (several of which had absorbed so much of my time) I realised that they all seemed to start from a concern that the centre of governments (both central and local) was too "closed" - in structure and in recruitment and, above all, in its perceptions.

I could see different stages - and wondered whether these are phases through which all countries have to pass : or whether some of them can be "jumped".

Put crudely one can see the following "prescriptions" at work during these different stages -

1. Make the **centre more knowledgeable and coherent** : on the assumption that this will allow it more effectively to control destiny. And one of the routes to greater coherence is rationalisation of the machinery of local administration and government.
2. Make the operations of government more "business-like": ie **make the officials behave more like managers**. This means new systems of performance measurement.
3. **Bring in managers from the private sector** - to put the operations on a real business footing. This leads to smaller and more independent public agencies - but operating with tight central budgetary and standard controls.
4. Give **new public managers freedom to operate entrepreneurially** in the best interests of their customers.

From the mid-1960s Britain has been in the grip of institutional critiques and self-analysis (Coates), leading in the 1970s to major institutional changes ; in the 1980s to a neo-liberal backlash and reliance on the market ; and now in the late 1990s to radical critiques and calls for major policy overhauls (Banham : Bennett), written constitutions and a "stakeholder society" (Hutton) - seems to be taking a more analytical and process-oriented view of the process of change.

The purpose of this chapter is to -

- put the discussions about "New Public Management" in a wider context
- indicate the range of methods available to governments to make public services more effective
- allow us to see decentralisation and privatisation as possible responses to a similar problem : namely the impossibility of central government "control"
- explore the implications for role of government
- draws out some of the practical lessons (including mistakes) from Western Europe reform efforts
- introduce some key experiences and terms

1. REFORMING THE STATE: initial tinkering

The role and power of the State increased very significantly in Western European countries after the Second World War. Three main factors contributed to this -

- a determination to avoid the serious economic depression of the 1930s
- the demonstrable effectiveness with which victorious Governments had wielded new economic and strategic powers for the conduct of the war
- Keynes' intellectual legitimisation for a more interventionist role for Government (Skidelsky).

For more than 20 years - as the European and American economies, and their companies, expanded - it seemed that a magic formulae for economic prosperity had been discovered in the concept of the "Mixed Economy".

The various revolutions of 1968 were the first signs that something was wrong - that people felt an important part of themselves excluded and alienated by the remote decision-making of Governments and large Corporations alike. And that they were increasingly unhappy with the decisions being taken on their behalf.

It was, however, the oil-crisis of 1973 which started the intense questioning of both the scale and results of government spending the turmoil in thinking and practice about the operation of the machinery of Government which OECD countries have experienced in the past 25 years.

The "improvements" which have been attempted by OECD countries over the period include

- trying to strengthen the "policy analysis" capacity of government (making it more aware of options (Dror : Barker)
- developing the managerial skills of the civil service
- reforming and restructuring local government
- "regionalising" certain central government functions
- trying to strengthen the supervision ("watchdog") powers of Parliament over the Executive
- "zero budgeting" and other types of budgetary reform
- merging Ministries to get better coordination
- creating accountable units of activity : with clear tasks, responsibilities and performance indices (OECD 1995)
- developing systems of performance review of government programmes
- "contracting-out" public services after competitive bidding to private companies : for a limited period of time
- "hiving off" Ministry functions to quasi-public agencies
- increasing the accountability of senior civil servants : limited term contracts.
- establishing Regional Development Agencies
- establishing "citizen contracts"

Those undertaking the changes have been practical people: and practical people get impatient of anything that smacks of theory. With hindsight, however, it can be seen that these various solutions were attempted "solutions" to three differently defined problems -

managerial : which identifies as the main problem the skills and behaviour of the paid, permanent staff of the Public Service and therefore puts the emphasis on new techniques and structures (eg budgetary information on an output basis : more open appointments procedures : coordination devices) and on the need for stronger managerial skills and delegated responsibilities.

political : which targets weaknesses in the quality and influence of politicians and the public in policy-making : apparently unable to control an all-too powerful bureaucracy. The role of politicians is very much to make the system of government accountable : the World Bank is perhaps the most scandalous example of what happens when a system has no accountability (George : Rich). The British Select Committees and US Investigative Committees are examples of such efforts at greater accountability. Local government reorganisation also comes into this category. The power of politicians does of course vary in different systems. In the West, reformist politicians in central and local government have generally felt relatively weak in the face of the power of civil servant and professional bureaucracies, business and trade unions. Increasing the influence of politicians at national, local and regional level has therefore been one approach to the problem of bureaucratic power. In Central Europe the situation has been very different - with the (communist) politician being the pinnacle of a tightly-controlled hierarchy of power: in other words part of the bureaucracy which has to be challenged! And whose power remains as long as there is no law on the Status of Public Servants!

In the early 1980s I tried to make such a classification of the variety of "fix-its" to which local government in Britain had been exposed in the previous 15 years -

Nature of Problem	Symptoms	Managerial Solutions	Political Solutions
<p>POOR COORDINATION</p> <ul style="list-style-type: none"> • Political/official • Interdepartmental • Political/community 	<ul style="list-style-type: none"> • Passing the buck • Inter-organisational disputes • Foul-ups • Public distrust 	<ul style="list-style-type: none"> • Corporate planning • Departmental mergers • Liaison structure and posts • Working parties • Public consultation • Public relations 	<ul style="list-style-type: none"> • Political executives • All-purpose municipal councils • Neighbourhood committees
<p>MANAGEMENT</p> <ul style="list-style-type: none"> • Over-hierarchical structures • Inadequate skills 	<ul style="list-style-type: none"> • Delay of • Lack of creativity 	<ul style="list-style-type: none"> • Management information systems • Training • Delegation • MOB 	<ul style="list-style-type: none"> • Limited-term contracts for senior officials
<p>POLITICS</p> <ul style="list-style-type: none"> • Adversary process • Internal structures • Rewards/support 	<ul style="list-style-type: none"> • Low polls • Crisis management • Petty arguments 	<ul style="list-style-type: none"> • Training for politicians • Office support • Performance 	<ul style="list-style-type: none"> • Mixed policy task-forces • Investigative Parliamentary Committees

	<ul style="list-style-type: none"> Recruitment problems 	review committees	
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Visible in that table is in fact a **third approach** which considers that internal reform will achieve nothing as long as Government remains responsible for both demand and supply of public services - the equivalent of being both judge and jury. The only effective mechanism is to put government programmes - and those who run them - on a more competitive basis. this means

- ensuring an organisational split between the specification and the provision of public services
- services (and key jobs) being allocated on short-term contracts.
- on the basis of agreed targets - which are audited
- whose achievement (or otherwise) affects both personal and contractual rewards.

2. REDEFINING THE PROBLEM

2.1 The task of making government "more business-like" or more effective is indeed a frustrating one for the reformer -

- the electoral cycle encourages short-term thinking
- there does not seem to be a definable "product" or measure of performance for government against which progress (or lack of it) can be tested.
- and even if there were, politicians need to build and maintain coalitions of support : and not give hostages to fortune. They therefore prefer to keep their options open and use the language of rhetoric rather than precision!
- The machinery of government consists of a powerful set of "baronies" (Ministries/Departments), each with their own interests
- the permanent experts have advantages of status, security, professional networks and time which effectively give them more power than politicians who often simply "present" what they are given.
- a Government is a collection of individually ambitious politicians whose career path has rewarded skills of survival rather than those of achieving specific changes
- the democratic rhetoric of accountability makes it difficult for the politician to resist interference in administrative detail, even when they have nominally decentralised and delegated.
- politicians can blame other people : hardly the best climate for strategy work

2.2 These forces were so powerful that, during the 1970s, writers on policy analysis seemed near to giving up on the possibility of government systems ever being able to effect coherent change - in the absence of national emergencies. This was reflected in such terms as "Policy drift" and "disjointed incrementalism" (Lindblom) : and in the growth of a new literature on the problems of "Implementation" which recognised the power of the "street-level" bureaucrats - both negatively, to block change, and positively to help inform and smooth change by being more involved in the policy-making.

2.3 In the meantime, however, the failure and inertia supplied the fuel for the development of neo-Liberal writing. Ideas of market failure - which had provided a role for government intervention - were replaced by ideas about government failure. The Economist journal recently expressed the difference in stark terms -

"The instinct of social democrats has been invariably to send for Government. You defined a problem. You called in the social scientists to propose a programme to solve it. You called on the Government to finance the programme: and the desired outcome would result.

What the neo-liberals began to say was the exact opposite of this. There probably wasn't a problem: if there was, social scientists probably misunderstood it : it was probably insoluble : and, in any case, government efforts to solve it would probably make it worse"

Jackson has summarised the arguments most succinctly - "Those economists who subscribed to the libertarian minimalist theories of the state argued during the 1970s that the welfare state had destroyed incentives. Unemployment benefit destroyed the incentives to search for work. Housing subsidies had destroyed the housing market and had probably been more successful in doing that than the blitz. High levels of taxation reduced the supply of work effort, the supply of savings and the propensity to take risks".

The very concept of rational government acting dispassionately in the public interest was attacked by neo-liberals on three grounds -

"Vote-maximising politicians, as the public choice theorists demonstrated (Buchanan and Tullock 1962) will produce policies that do not necessarily serve the public interest, while utility-maximising bureaucrats (Niskanen 1971) have their own private agenda for the production of public policies. The growth of the welfare state had brought with it an army of professional groups, who supplied the services. These were teachers, doctors, dentists, planners etc. They existed in bureaucratic organisations which were sheltered from the winds and gales of competitive forces. Provided free of charge at the point of consumption, there will always be an excess demand ; at the same time it is in the interest of monopolised professional providers to over-supply welfare services. Public expenditure on welfare services, in the absence of market testing, exceeds its optimum".

"The problems don't end there. Professional groups decide upon the level, mix and quality of services according to their definition and assessment of need, without reference to users' perceptions or assessments of what is required. The result is that not only is public expenditure on welfare services too high ; it is also of the wrong type".

"And finally the issue of efficiency; in the absence of the profit motive and the disciplinary powers of competitive markets, slack and wasteful practices can arise and usually do. Within bureaucracies, incentives seldom exist to ensure that budgets are spent efficiently and effectively. Often there is no clear sense of purpose or direction."

(Jackson)

3. BRITISH RUTHLESSNESS

3.1 Countries have, of course, varied in the focus and intensity of their reforms. This has reflected such things as their constitutional and policy patterns: and extent of felt crisis.

One of the first developed countries to feel a major identity crisis in the post-war period was Britain - as it attempted from the late 1950s to adjust to the new post-war realities. From the mid 1960s some of its elite began to look critically at the relevance to the new competitive circumstances of a machinery of government which had been designed to run an Empire which no longer existed.

The late 1960s saw the first attempts to introduce more "business-like" practices into both central and local government in Britain - attempts which have continued unabated ever since.

And which have been made easier by the absence in that country of such things as Constitutions, coalitions and administrative law!

When Lord Hailsham, one of its most respected Conservatives, talked in the late 1970s of the dangers of "Elective Dictatorship" few realised that we were about to see its realisation - and its use in a dramatic restructuring of the shape and role of both central and local government !

3.2 The Thatcher Government elected in 1979 in Britain was determined to inject purpose and direction into public services. Not, however, by trying to persuade an existing system - which had demonstrated what Donald Schon has called "dynamic conservatism". But rather by nothing short of a business takeover; using diktat and market forces.

The message was clear - professionals and local politicians might try to use the language of business methods: but, for a variety of reasons, it would remain rhetoric. It was unrealistic to expect such people to have either the commitment or the skills to operate in a business-like way!

Rather bring in the real thing - business conditions and businessmen. And those who couldn't cope could get out! And, during much of the 1980s, the clear message from the top was that the more who left the better!

3.3 The strength - and duration - of the political determination and leadership - (and John Major has, since 1991 very much continued the agenda) has produced a dramatic change in both the structure and culture of public services in Britain.

Fundamental concepts of public administration - eg hierarchy, equity and uniformity - have been unceremoniously dumped :

- government structures have been broken up - either by "hiving off" into independent units or by a sharp distinction being made between contractor and provider. Two thirds of Civil servants are now in free-standing agencies whose Chief Executives have been openly appointed.
- direct hierarchical supervision has been replaced by contractual relationships
- recruitment, grading and pay rigidities have been broken apart in the search for greater productivity.
- considerations of equity, impartiality and justice are replaced by those of consumer choice
- decisions by civil servants are replaced to an extent with market decisions.

- uniform universal provision gives way to user charges and choice among competing providers
- accountability only through elected bodies has been bypassed by Citizen charters, ombudsman and control through non-elected quangoes"

3.3 These are, of course, changes in the structure and style for the management of public services which continue to be funded from taxation (only the housing sector has experienced the removal of transfer funding). And there are those who say that structures are the easy things for politicians to meddle with - that they rarely produce measurable results: and indeed that any benefits are outweighed by the tangible and intangible costs of the upheaval involved.

Section five considers some of the early assessments and evaluations of this massive change.

4. AND OPPORTUNISM

The remarkable thing to note and explore at this point is that, despite the coherence with which the strategy can now be described, no one - least of all Margaret Thatcher - had any blueprint at the beginning. The strategy seems rather to have emerged as things developed!

- senior businessmen she brought in, as (often unpaid) advisers, established a system of "short-sharp" budget reviews in Ministries which soon identified significant savings. And encouraged management practices to ensure that these savings were pursued. This did build on a decade of work on new Financial Information Systems.
- they also indicated that normal business practice would not tolerate such large, unwieldy organisations : but would either break them up into "profit centres" led by chief executives with their own budgetary freedom - or sell off particularly those elements not central to the company.
- during the 1980s the government increasingly forced local government and health authorities to submit first their "auxiliary" services (such as cleaning, maintenance, building and meals) and then others to competitive tender. This gave early experience of separating in government the process of setting policies and standards from actually supplying them.

These experiences then suggested further - and generally deeper - innovations.

Some Factors behind the UK breakthrough

- no constitutional or legal constraints
- an electoral system which permits an elected dictatorship
- a strong Prime Minister
- with a vision
- lack of a unified public service
- generalist tradition of recruitment
- some surprise early successes in privatisation

The strategy has also been driven by changes in technology: which were both forcing and enabling a downsizing of organisations to meet the increasingly sophisticated demands of the modern consumer. And management writers were by the mid 1980s beginning to celebrate a new, lean shape of organisation. One of the epitaphs which had been written, rather presciently, about the most rationalistic of the first wave managerial approaches which had been attempted and abysmally failed in the 1960s - Planned Programming Budgeting -

"PPB is an idea whose time has not quite come. It was introduced government wide before the requisite concepts, organisational capability, political conditions, informational resources and techniques were adequately developed. A decade ago, PPB was beyond reach; a decade or two hence, it, or some updated version, might be one of the conventions of budgeting" (Schick 1969)

5. IMPLICATIONS FOR STRATEGIC CHANGE

The change process can therefore be summarised in the following way - the Prime Minister and her chosen advisers were determined to transform the operation of the public sector: not by the application of a detailed programme but rather by applying certain business principles to a new context.

Intent and principles do not seem to be sufficient to move an immovable object! That a very major shake-up did in fact take place in the shape and philosophy of public services in Britain is probably due to -

- certain qualities (eg courage/obstinacy, systemic learning capacity, staying power)
- contextual advantages (including luck) which allowed them so to do.

All this does suggest a major reconsideration of conventional assumptions about policy change. The pre-requisites of effective policy innovation used to be seen as clarity of purpose - and consensus. And then the structures and skills of implementation.

Now effective policy innovation is perhaps better understood in terms of the transformation of general policy concerns into significant change via

- strong leadership
- driven by a mission with certain legitimising principles which "strike a chord"
- major replacement of key staff
- demonstration projects
- networking and communications skills
- conversion skills

The management of health is where the most major changes have been carried out and a detailed assessment published in 1996 bears this out, describing the process in the following terms -

"After 1990, the centre adopted a clear project management function in relation to sponsoring the reform programme within the localities.

- a broad vision rather than a detailed blueprint at the beginning of the process
- the provision of a visible focus of central leadership within the Department of Health both at Ministerial level and overall project management to drive through key changes : use of tried and tested external advisers

- a more proactive communications policy "selling" the reforms to journalists and academics as well as civil servants
- parachuting key personnel from the centre into high profile localities : energising and resourcing allies
- sponsoring a programme of development projects which could quickly be held up as role models nationally : building up coalitions locally and support networks centrally
- identifying and intervening in "receptive" sites before moving on and diffusing the intervention to less receptive contexts".

(Ferlie, Pettigrew et al)

6. REINVENTED GOVERNMENT?

Other English-speaking countries (New Zealand and Australia) were also enacting similar changes - as were Scandinavian countries. The result has been a shift from Public Administration to Public Management.

The Americans, ever the effective marketers, have in the 1990s been using the rubric of "Reinventing Government" (Osborne and Gaebler) for their attempt to increase the effectiveness of government. Its ten injunctions do represent a neat summary of what has become a world-wide approach, known as New Public Management -

- Catalytic Government : Steering rather than rowing
- Community-owned Government : Empowering rather than serving
- Competitive Government : Injecting it into service delivery
- Mission-driven Government : Transforming Rule-Driven Organisations
- Results-Oriented Government : Funding Outcomes, not Inputs
- Customer-Driven Government : meeting their needs, Not the Bureaucracy
- Enterprising Government : Earning rather than Spending
- Anticipatory Government : Prevention Rather Than Cure
- Decentralised Government : from Hierarchy to Participation and Teamwork
- Market-Orientated Government : Levering Change through the Market

This is neat - and certainly useful for presentational purposes. But it is too general and simplistic for practical purposes. It fails to distinguish between different motivations for - and models of - change which have been evident in different countries and at different times. Ferlie et al have sketched out Four Models which are more sensitive to these considerations -

NPM 1 **FORDIST MODEL**

- increased attention to financial control : strong concern with value-for-money and efficiency gains : getting more for less : growth of more elaborate cost and information systems
- a stronger general management spine : management by hierarchy : a "command and control" model of working : clear target-setting and monitoring of performance : a shift of power to senior management
- an extension of audit, both financial and professional : an insistence on more transparent methods for the review of performance : more standard setting and bench-marking.
- greater stress on provider responsiveness to consumers : a greater role for non-public sector providers : more market-mindedness

- deregulation of the labour market and increasing the pace of work : erosion of nationally-agreed pay and conditions : move to highly paid and individually agreed rewards packages at senior level combined with more short-term contracts. Higher turnover
- a reduction of the self-regulatory power of the professions : a shift in power from professionals to managers : drawing in of some professional to management
- new forms of corporate governance: marginalisation of elected local politicians and trade unionists : moves to a board of directors model : shift of power to apex of organisation.

This is a reasonable description of British trends in the 1980s.

NPM 2 **DOWNSIZING AND DECENTRALISATION**

- move from management by hierarchy to management by contract : creation of more fragmented public sector organisations at local level
- split between small strategic core and large operational periphery : market testing and contracting out of non-strategic functions
- moves to flatter structures : staff reductions at higher and lower levels
- split between public funding and independent sector provision : emergence of separate purchaser and provider organisations
- attempt to move away from standardised forms of service to one characterised by more flexibility an variety.

This is the phase Britain moved into in the 1990s

NPM 3 **IN SEARCH OF EXCELLENCE**

- (a) Bottom-up Form: radical decentralisation : emphasis on OD and learning organisation. The French reforms fall more into this category - as do the operations of the more progressive German, Dutch and British local authorities of the 1990s.
- (b) Top-Down Form: managed culture change programmes: stress on charismatic forms of top-down leadership. Corporate training, logos etc.

NPM 4 **PUBLIC SERVICE ORIENTATION (Scandinavian)**

- concern with service quality
- reliance on user voice rather than customer exit as feedback. Concept of citizenship
- desire to shift power back from appointed to elected local bodies : scepticism about role of markets in local public services
- community development
- belief in continuing set of distinctive public service values and tasks : stress on participation and accountability as legitimate concerns of management in the public sector

The Scandinavian reforms fall into this category - and the counter-attack in Britain in the late 1980s (Stewart and Ranson)

Sylvia Troia has looked at the very different approaches taken by Britain, France and Australia: the British and Australian changes being very much imposed on a resistant system by strong political leaders - the British "revolution" in particular being based on a quite explicit critique of the possibilities of the system reforming itself by normal methods of persuasion. This contrasts very much with the French - and German - approaches: where there has been more apparent confidence in the public service system - and where modernisation was seen as a matter for incremental and internally driven change. French thinking is still affected by the Rousseauist sense of the "General Will" - and is to be seen in their formalised system of national planning, in the operation of their highly professional ENA elite who occupy most of the key positions in both the public and private sector - and in their structure of territorial administration of the State. And their attempt

over the past 15 years to decentralise that system has demonstrated that same centrally-driven and consensual approach.

Peters suggests that administrative reform can be reduced to four schools of thinking - often confused in practice. They are - "market models" (A); "the Participatory State" (B); "Flexible Government" (C); and "Deregulated Government" (D).

	A	B	C	D
Principal diagnosis	Monopoly	Hierarchy	Permanence	Internal Regulation
Structure	Decentralisation	Flatter Organisations	"Virtual Organisations"	No particular recommendation
Management	Pay for performance	TQM; teams	Managing temporary personnel	Greater managerial freedom
Policymaking	Internal markets Market incentives	Consultation negotiation	Experimentation	Entrepreneurial government
Public interest	Low cost	Involvement	Low cost Coordination	Creativity Activism

After reviewing the nature and policies of each model, he identifies **four basic questions** and looks at how each model tries to deal with them -

Basic Question	A	B	C	D
Co-ordination	Invisible hand	Bottom up	Changing organisations	Managers' self interest
Error detection	Market signals	Political signals	Errors not institutionalised	Accept more error
Civil Service	Replaced with market	Reduce hierarchy	Temp employment	Eliminate regulations
Accountability	Thro' market	Thro' consumer complaints	Not clear	Through ex-post controls

Hood gives us an interesting classification of the scale of the move to New Public Management (NPM) on the basis of the political incumbency -

NPM emphasis	Left	Centre	Right
High	Sweden	Australia Canada New Zealand	United Kingdom
Medium	France	Austria Denmark Finland Italy Netherlands	

		Portugal United States	
Low	Greece Spain	Germany Switzerland	Japan Turkey

7. MEASURING PERFORMANCE

The question then arises of how performance in public service can be measured.

In "normal" markets the profits of supplying companies are taken as a surrogate measure - although backed up by a battery of consumer testing and accounting ratios.

Clearly where competition is restricted governmentally and the government continue to supply the funding, some quantifiable measures must be found to measure the efficiency and effectiveness of the new managerial freedom.

Some things are easier to quantify than others: and therefore what we find is that the performance that tends to be measured is that for which statistics can most easily be organised ie waiting times and exam results. Measuring performance is relatively easy to do: but most measures direct managers toward short-term results and provide little link to broader government concerns and cross-cutting issues. Let's look at education -

MEASURING PERFORMANCE IN A SECONDARY SCHOOL

	QUANTIFIABLE	UNQUANTIFIABLE
RESOURCES Costs	Teachers Buildings	
SERVICE PROVIDED	Teachers Curriculum Class sites Support Staff School places	Quality of teaching Content of curriculum Facilities extra-curricular activities
OUTPUT	Pupils, by age	Special needs Background factors
OUTCOME	Attendance Exam Results Destination of leavers	Behaviour Non-academic achievements

Just how diverse are the choices for measuring performance can be seen in the diagram below - which covers the issues involved in the health system

8. STRUCTURING COMPETITION

People also need to be careful about some of the claims made for privatisation. Things are not quite as simple as they seem! Most of the British reforms which purport to introduce competition into the provision of public services stop short of establishing free, competitive markets.

Minimum Conditions of "Free Market"

1. Customers would be able to make a choice, both of the service to be purchased : and of the provider
2. Providers would be allowed to attract customers, by producing what customers want and by adjusting price and quality
3. There would be enough information on price, quality and availability to enable the market to function
4. There would be a sufficiently large number of purchasers and providers for both sides to be able to choose: and for no individual purchaser or provider to be able to determine the price.

Few of these conditions are in fact met by the reforms of the British Government. At its minimum level, a market reform may simply divide the public organisation into two parts - one of which is called the "purchaser", the other the "provider".

The next stage introduces competition between providers - whether in the public or private sector. Here there is still a single purchaser: but the purchaser organises competition among providers. This is the British local authority position now. And local authority departments have been able to win the majority of contracts.

A more competitive situation is found if there is more than one purchaser and provider units are able to seek out "customers". This might be called a "competitive internal market" and is very much how the British Health Service works now. District Health Authorities (DHAs) receive a budget from Central Government and act as the patient's agents, assessing health needs and purchasing health care to meet these needs.

The providers are basically the hospitals who are no longer under the control of the DHAs. They now compete with one another for contracts from them.

But in none of these "markets" have Governments allowed consumers as such (patients: pupils or their parents) to make the purchases directly.

Despite the use of the language of the market, it is implicitly accepted that such activities as health and education are "public goods" and require the Government to set both budget and policy parameters.

It is only the delivery of the activities - within these policy and resource constraints - that is the subject of competition. As Jackson concludes, in his excellent review of the British situation in 1993, "what is being supplied in the health reforms is not patient-focussed care but budget-focussed care."

For all that, the changes mean that the basic management unit - whether in health, social services or education - is not only closer to the customer but has to focus on the "customer" (however defined). In view of the speed of change, this can only be to the good - however daunting it has been to those suddenly given this new responsibility and required to develop new managerial, budgeting and marketing skills.

One of the many books published recently on school management and leadership described the new context in the following terms -

- Significantly enhanced levels of parental choice
- Considerable changes in staffing patterns, more para-professionals, core and periphery staff, fixed-performance contracts etc
- Radical changes in the nature of teaching and learning as the impact of the new technologies gathers pace
- Greater varieties of financing - with blurring between state-only and private-only funding of schools
- Contracting-out of educational as well as service elements of schooling
- The development of national curriculum and testing frameworks is providing measures of output and value-added
- Pressure is on to increase performance with the same resource value
- Increased differentiation between schools encourages more specialised provision

9. WHAT HAVE THE RESULTS BEEN?

Clearly changes of this sort pose particular problems of measurement.

What exactly is it reasonable to expect from the changes - now or in the future?

- Reduced public spending?
- clear examples of significant budget savings?
- Lower unit costs of delivering public services?
- higher rate of policy entrepreneurship?
- More satisfied consumers of specific services?
- More highly motivated staff?
- greater public confidence in government ?

There is no agreed measure. Budget savings in one area of spending (eg reduction of hospital beds for mentally ill) can cause costs elsewhere (in the local government budget for dealing with homeless people).

The introduction of Citizen Charters - specifying the standard of service the consumer should expect - can often raise expectations and increase dissatisfaction !

Certainly the share of government spending has remained broadly the same in Britain over the period 1979-1996 - largely due to the effects of increased unemployment on social security payments.

And objective assessment would want to give due weight to the following issues which have been noticed -

9.1 Budgetary responsibility has led to **increased productivity** (through shedding of staff): and **increased sense of staff responsibility** - which is generally welcomed (Davies and Ellison).

9.2 Services seem to be run on a more rational basis: mission statements and business plans result in **clear output specifications leading to more accountability and continual review of standards and costs.**

9.3 Public Service Organisations have become **more oriented to the customer:** and the reduction of union power makes staff more innovative and accountable to managers and client-groups.

The "downside" of the new managerialism includes certain additional costs; and fragmentation.

9.4 Additional Costs. There are two sorts - first **transaction acts:** markets are not costless to run. "Hospitals, for example, have had to set up new and expensive management information systems (one estimate puts this at one billion pounds) that will inform pricing decisions. And then there is the administrative cost of billing - and monitoring and suffering late receipt of revenues. The gamble is that the long-run dynamic efficiency gains of the new administrative arrangements will outweigh short-run welfare losses" (Jackson). If new systems are to produce efficiency savings, then four things are necessary

- new cost information systems
- cost control systems
- managers who are sufficiently well trained in interpreting these new information systems
- appropriate incentive systems

9.5 **Regulation and Audit Costs**

In recognition of the continuing monopoly element in services which have been fully privatised or which are at an earlier stage, the government has had to bring into existence a complex and costly machinery of regulation and audit - with independent and powerful agencies and agents.

9.6 Instances of **financial irregularities** from "competitive, contractual, insular and adversarial culture" See Caiden

9.7 **Short-termism and fragmentation** : the emphasis on output, measurement and achievement - by core agencies working to their own budgets and with increasing performance-based remuneration - downgrades, at least for the moment, long-term strategic work.

Staff morale in many British public services was, by 1997, low - and not helped by the centralist nature of the continuing political control. The way many of the changes were

introduced in Britain in the 1980s and 1990s left angry and demoralised staff at lower levels - although the increased levels of remuneration and responsibility have clearly increased senior managerial satisfaction.

The new Agencies may now be free from the traditional bureaucratic constraints on initiative : be free for example to appoint their Chief Executives from the private sector on limited term contracts - who then are able to make further executive appointments. But the reality of constraint does not appear greatly to have changed. The new agencies now operate in a strong framework of performance and audit control controlled from above. It is as if the Treasury - having lost managerial control - were now reasserting themselves through contract and audit systems! Plus ça change, plus c'est la meme chose !

What is called the "new" public management may be new for the public sector - but in no way brings the public sector closer to best practice in the private sector. Rather the opposite. It represents a move from bureaucracy to scientific management against which private management was reacting two decades ago (Pollitt). When the problems of this approach are recognised there will be a movement toward one (or several) of the other models.

10. PUTTING IT IN PERSPECTIVE

In all the excitement of the present ferment, it is all too easy to imagine that we are confronting these issues for the first time: in fact argument about how to run government and public services goes back many centuries and the present debates are in some ways a replay, in different language, of those debates.

Whilst the technology and skills have certainly presented us with new opportunities, perhaps a touch of humility or sense of history might help us in these frenetic times?

1988 saw the publication of a particularly interesting and strangely neglected book - "Administrative Argument" (Hood and Jackson) - which took such a perspective and managed to produce 99 different "solutions" which had been advanced at one time or another to the issue of improving administrative performance.

In so doing they distinguish "doctrines" from "justifications" - doctrines are "administrative maxims about who should do what - and how" ie **views about which sort of people; and what sort of structures and procedures** should be used in decision-making.

If ever we needed a lesson in the need for a measure of scepticism toward the enthusiastic marketing of the latest management fashion, we have it in the brief list of these 99 solutions - many of which happily contradict one another. Sometimes the need for continuity in staffing is stressed: sometimes the need for turnover. Sometimes openness; sometimes secrecy.

"Justifications" denote the reasons which are given to follow a particular doctrine - such as equity, efficiency or adaptability.

And the relative value societies have given to such considerations changes over time.

We have become more aware, recently, of how we try to make sense of the confusing world around us by using metaphors: and how those same metaphors then influence our perceptions.

This has been particularly true of our approach to organisations (Morgan).

Hood and Jackson suggest that we tend to use three general "stereotypes" -

	Military Stereotype	Business Stereotype	Religious Stereotype
Slogan	Run it like the army	Run it like a business	Run it like a monastic order
Work force	Limited career	Hired and fired	Service for life
Motivation	Fear of punishment Hope of honours	Fear of dismissal Hope for money	Fear of damnation Hope for salvation
Control	Audit of war	Impersonal	Faith; social acceptance
Objective setting	Orders of day	Profit	Worked out at length in discussion and reflection
Belief	Obedience to leadership brings efficiency	Incentives to reduce waste and search for innovations	Lifetime internal commitment limits rash selfish ideas

And, in a later essay, Hood spells out in more detail the different elements of NPM -

DOCTRINAL COMPONENTS OF THE NEW PUBLIC MANAGEMENT

No.	Doctrine	Meaning	Typical Justification
1	Hands-on professional management of POs	Visible management at the top; free to manage	Accountability requires clear assignment of responsibility
2.	Explicit standards and measures of performance	Goals and targets defined and measured as indicators of success	Accountability means clearly stated aims
3.	Greater emphasis on output controls	Resource allocation and rewards linked to performance	Need to stress results rather than procedures
4.	Shift to disaggregation of units	Unbundle public sector into units organised by products with devolved budgets	Make units manageable; split provision and production; use contracts
5.	Greater competition	Move to term contracts and tendering procedures	Rivalry as the key to lower costs and better standards
6	Stress on private sector styles of management practice	Move away from military-style ethic to more flexible hiring, pay rules, etc	Need to apply "proven" private sector management tools
7.	Stress on greater discipline and parsimony	Cut direct costs; raise labour discipline	Need to check resource demands; do more with less

11. WHAT IS THE ROLE OF THE STATE?

As events have unfolded, various questions which were once seen as simply academic have forced themselves on politicians - such as

- What exactly do we expect of the State in the new era?
- How can these responsibilities best be handled?
- Are there any real differences between management in the public and private sector? If so, what are the implications?

If one thing has been learned in the past decade it is the difference between Governments having a responsibility for something on the one hand - and the government machine trying itself directly to deliver services to fulfil that responsibility. Government does not make an effective producer : it cannot generate the relevant resources - or staff skills. Nor implementable ideas. That requires a market.

This, however, is not an excuse for *laissez-faire* ! For the market is a social construct : it will work only if there are in place systems of rules and organisations which are trusted by people (Casson). That basic point is particularly evident to anyone who lives in some parts of Central and most parts of Eastern Europe -

"Private property is not an object but a social relation, a bundle of enforceable rules of access and exclusion that function properly only if public authorities use coercion to exclude nonowners and maintain owner control over resources, predictably penalising force and fraud and other infractions of the basic rules of the game" (S. Holmes)

The proper task of Government is to ensure that the creative skills and initiative of individuals are released - and sustained - through (different sorts of) market. Paradoxically for many people, however, this involves a highly interventionist role for government - in both West and Central Europe !

The 1990s has seen a growing understanding everywhere that "the market" is not only backed up but also constructed by rules of the State.

But these are not static - but constantly changing to reflect social attitudes to such things as balance between the individual and the wider community: between the present and the future. Fons Trompenaars has written the clearest and most practical of the recent books on how the market is differently defined according to the different meanings given by different national cultures to such concepts as -

- Universalism v Particularism (rules versus relationships)
- Collectivism v Individualism (the group versus individual)
- Neutral v emotional (range of feelings expressed)
- Diffuse v Specific (the range of involvement)
- Achievement v Ascription (how status is accorded)
- Attitudes to Time
- Attitudes to Nature

This has a strong bearing on the interesting contemporary debates relates to the type of capitalism which will emerge in Europe and Asia in the next decade: will it be the "stakeholder" variety represented by the mainland Europeans or the more individualistic Anglo-Saxon sort (Albert : Etzioni : Hampden-Turner) ?

Japan is very much a litmus test for this argument (Dore). "The Economist" is a journal which very much takes the former view and concluded a special supplement recently in these terms -

"One of the reasons why many Japanese have been reluctant to let go of their clannish approach to life is that it provided a sense of belonging together, a comforting awareness that a man is not alone with his problems, that he has companions around him. Even liberal Japanese who accept that the time has come to move on to a more individualist-based system of politics and economics hope that it can be done without losing the spirit of community.

"Quite a lot of Americans and Europeans are now prepared to say, with one qualification, that they see what the Japanese mean. There is no substitute for individual energy and individual decision-making as the engine of modern life. But this engine has to operate according to a generally accepted set of rules. Otherwise individualisation will become atomisation : and, in an increasingly urbanised world in which access to the means of consciousness-raising and the instruments of violence has become easier than it used to be, atomisation is a frightening word.

"Yes, says this sort of Western liberal, the Japanese are right to want to preserve a sense of community. The one qualification is that so far the Japanese definition of "community" has been a group organised from the top down, in which the top man is offered much deference by those below him. That authoritarian definition will not work in the future: tomorrow's community will have to be one in which the standards are defined, and freely agreed upon, by the community' members.

" But this does not look like an insuperable problem. The Japanese wants to move toward a more individualised Japan without letting go of a sense of community: these Western liberals are trying to get back to the reassurance of community while holding on to the basics of individualism. They are, as it were, shuffling backwards to each other."

(p22 of Special supplement of The Economist 13 July 1996)

In his helpful review of the revolution in thinking about the role of the State and of public administration, Hughes suggests 7 basic functions for the State as we approach the new millennium -

- to provide such economic "infrastructure" as : definition and protection of property rights, enforcement of contracts, provision of currency, law and order, laws on bankruptcy, patents, copyrights etc
- to provide various collective goods and services
- to resolve and adjust group conflicts
- to maintain competition
- to protect natural resources
- to provide for minimum access by individuals to the goods and services of the economy
- to stabilise the economy

For the present Central Europe context, Balcerowitz has put the matter succinctly -

"The proper view of the state should consider two fundamental premises (a) the state has only limited resources of time, administrative capacity and money : (2) the capacity of the state to deal with different problems varies, mainly because of varying informational requirements.

These explain why a well-focussed state is even more necessary in transition economies than in established market economies. The state resources in transition economies are much more limited ; while the fundamental tasks of systematic transformation and monetary stabilisation are far greater than in any developed market economy" (Balcerowitz p 249)

12. **HOW SHOULD THE STATE'S RESPONSIBILITIES BE CARRIED OUT** -

Central Government has a very real choice about the way in which it carries out its responsibilities to the public. Three methods are available -

12.1 by direct central government provision

- ie by Ministries providing the services - on (more or less) a free basis

12.2 by individuals making their own choices in the market

- the role of Central Government being -

- to help greater equality of purchasing power by taxation
- to ensure there is proper competition and choice
- to ensure there is a free flow of information about services

12.3 by Government providing the resources (and strategic guidelines/regulations/audit) but encouraging other (independent) agencies to determine and manage the detailed shape of the activities. Alternative agencies include -

- local self-government
- specially established Agencies or Partnerships
- nationalised companies
- private companies : through "contracting-out"
- non-profit organisations

The real debate has now moved beyond the sterile slogans involved in the first two options to a "mixed-model" of provision. Tomkins has supplied a useful typology -

- Fully private
- Private but with part-State ownership
- Joint Private and Public Venture
- Private regulated
- Public Infrastructure : operated privately
- Contracted out
- Public with managed Competition
- Public without competition.

13. THE TOOLS OF GOVERNMENT

Etzioni, in a classic work, has suggested that the various devices used in business and politics to achieve one's ends are three in number - The first two are clearly understood - incentives and threats.

Incentives : when it is assumed that the desired behaviour can be produced through inducements - vague or concrete, financial or psychological. In Britain, the regular publications of systematic INFORMATION of an independent Audit Commission about the comparative performance of public services ("benchmarking") acts as a useful spur on local authorities and Agencies to improve their performance.

Threats have to be backed up by penalties; the British approach to controlling the legality of local government decisions is a good example : the Chief Officials have the clear responsibility for advising local councillors if their proposed decision seems to be illegal. If the councillors ignore that advice - and if, subsequently, their action is ruled illegal in the Courts, they are individually liable for the financial consequences of the decision. And if - as a result - they go financially bankrupt, they are automatically disqualified from local government service. The law has been applied only on a few occasions but is a powerful deterrent.

The third device is more subtle - and refers to the process whereby one party to the relationship absorbs over a period of time the assumptions, concerns, ways of looking at the world of the other partner

Central Government can do this through consultative structures, joint training and pilot projects : but local authorities might equally do the reverse !!

CONCLUSION

There were not, in the early 1970s, many politicians interested in reforming the machinery of government. For politicians, the name of the game is reputation and survival - and some had had their fingers burned in the 1960s during the first wave of over-optimistic attempts in America and Britain to apply management techniques.

And, whatever the appearance of coherence at election time, a Government is a collection of individually ambitious politicians whose career path demands making friends and clients rather than the upsetting of established interests which any real reform demands : the machinery of government consists of a powerful set of "baronies" (Ministries/Departments), each with their own (and client) interests to protect or favour : governments can always blame other people for "failure" : and distract the public with new games - and faces.

To think in terms of achieving results seemed to require an eccentric mixture of policy conviction, single-mindedness and political security which few leaders then possessed. What one might call the "constituency of reform" was simply too small for major reforms even to be worth attempting.

Now, however, the picture seems very different. Encouraged by the examples set by countries such as Britain, New Zealand, Australia and Finland, government reform has become all the rage throughout the world in the past ten years.

Initially involving the divesting by government of industries such as Steel, Gas and Telecommunications, the reform of government has spread deep into the thinking about how the basic system of government and of social services should be managed - and what that means for the role of government.

The talk is now of the "enabling" state - of government no longer trying itself to produce things and run services but rather focussing on strategic purposes and using such mechanisms for their achievement as giving independent public agencies the budget and guidelines in contractual form: and then relying on a mixture of independent regulation, market forces and arm-twisting to keep them on their toes.

Further Reading

a. Administrative reform Overviews

Caiden GE Administrative Reform Comes of Age (Berlin : de Gruyter 1991)

- the definitive historical (as distinct from conceptual) treatment to the public administration reform efforts of the past three decades in OECD countries. It is particularly strong on the various bureaucratic pathologies - and the range of responses to deal with them (although not as systematic as Hood and Jackson). For an academic book it is passionate and well written although its final recommendations are a bit of a damp squib. His assessment leads him to consider that externally imposed reform is generally disappointing; for the following reasons -

- many of those who decide on reform are themselves strangers : reform is just another assignment, from which they will soon move on
- many of those on whom the burden of reform have their own agenda and cannot be entirely neutral about reforms whose very nature can be seen as an indictment of them. Naturally they are resentful and suspicious: but they may also have a superior grasp of the situation to realise that the proposed reforms may worsen rather than improve the status quo.
- many public organisations are considered experts in their fields. How find equivalent or superior expertise?
- reforms are at the mercy of determined internal resisters : the deeper the resistance, the more needed the reform".

In these circumstances, the process of self-renewal has much to commend it - but "relies unduly on the interest, talent and capability of people within the organisation - and is restricted to how they define their problems and view the world". The last decade has, however, brought into being a variety of forces and mechanisms which now exert considerable pressure to keep performance high - such as performance audits, ombudsman offices, suggestion schemes, quality circles, codes of ethics and whistle-blowing protection. "These are all devices for drawing public attention to administrative deficiencies, mobilising public opinion behind reform, investigating bureau-pathologies, designing reform policies, marshalling support and resources for reform and generally monitoring the progress of reform. No longer is there any excuse for not knowing what to do and how to proceed. It is only a question of willingness" (Caiden 1991 : p144) On this basis, Caiden then looks at "Common Pitfalls". For more detail see the chapter on Managing Change.

What was also missing for me, as I read it in 1997, is a link with the huge literature of the 1990s on managing change - and organisational learning.

Eliassen K Managing Public Organisations (Sage)

Eur Foundation

for Q M Self-Assessment Guidelines for the Public sector (1997)

Hood C

/Jackson M Administrative Argument (Aldershot 1991)

- a must for those contemplating any form of reorganisation : the authors identify no fewer than 99 different prescriptions and rationales for better public management which have been used over the centuries - each of which has its equally plausible opposite. See also Hood's later essay "Exploring variations in public management reform of the 1980s" in Bekke (above)

Hughes Owen Public Management and Administration : an introduction (Macmillan 1994)
- just as it says ! And all the more interesting because written from the Australian experience. At the moment the most comprehensive introduction to the issues.

McKevitt D Managing Core Public Services (Blackwell 1998)

- the texts on the "new public management" (NPM) are generally unsatisfactory. They consist generally of breathless reviews of the various changes which have taken place in the organisation of public services (particularly Anglo-Saxon) - contrasting the badness of the old with the vigour of the new.

Sometimes, but rarely, an attempt is made to assess the impact on the consumer of the reforms.

Even more rarely does anyone try to explore whether and why certain services are "non-marketable" and therefore need to remain "public" - and how we can avoid throwing the baby out with the bathwater. The early part of this book seemed to mark it out as an exception with its identification of three distinctive features to core "public services" -

- differential information between providers and suppliers
- the provision of socially important and interdependent services
- the concept of professionalism as a relation of trust and agency between providers and clients.

McKevitt also notes the three very different reasons (sovereignty, natural monopoly and social welfare) for the functions remaining in the public sector and concentrates on the latter (HEWS)

The emphasis then given to the concept of Street Level Public Organisations (SLPO) and the recognition that this creates a systemic tension between the legitimacy of claims from (a) government (b) clients and (c) professionals is a very helpful framework for thinking about the reforms of the past 2 decades. This - and his use of case studies from Sweden, New Zealand (particularly detailed on educational reform), Germany and England - allows the author to conduct a credible critique of the British reforms stemming from the stifling of the "voices" of the second two groups (also to suggest that they have suffered from inadequate use of legislation (?) - and anachronistic use of the mechanist model of organisations.

Sadly, however, the book does not live up to its early promise - its heavy use of quotations and examples crowds out the coherence of the chapters on investment and strategic control; and its constant references to later elaboration of tantalising allusions makes the text increasingly scrappy.

Minogue M Beyond New Public Management – changing ideas and practices in Governance (Elgar 1998)

Nutley A. and

Osborne S The Public Sector Management Book (Longman 1994)

- a very clear and practical introduction to the topic !

Peters G The Future of Governing ; four emerging models (Kansas Univ Press 1996)

- if there is one text I would give a serious ruler who asked for a clear and definitive text on the topic, this would be it! It's an extended essay which tries to identify the assumptions about problems" and "solutions" which hid underneath the blueprints they are given

Pollitt C

Bouckaert G Public Management Reform - a Comparative Analysis (OUP 2000)

Salamon LM Beyond Privatization - the tools of government action (Urban Institute Press 1989)

Turner M

Hulme D Governance, Administration and Development - making the State work (Macmillan 1997)

Wilson JQ Bureaucracy - what Government Agencies do and why they do it (Basic Books 1989)

- should be read in conjunction with the Osborne book (section 1.1). Simply the definitive book on the subject! MacDonald's is a bureaucracy par excellence – so what makes it different from a government bureaucracy? Three reasons, according to Wilson - Government agencies can't lawfully retain monies earned; cannot allocate resources according to the preferences of its managers; and must serve goals not of the organisation's choosing, particularly relating to probity and equity. They therefore become constraint-oriented rather than task-oriented. He suggests that agencies differ managerially depending on whether their activities and outputs can be observed; and divides them into **four categories – production, procedural, craft and coping agencies.**

World Bank The State in a Changing World (World Development report 1997 OUP)

- the book which raises the question of whether the leopard can really change its spots ? From rubbishing the role of government, the WB in this publication starts to argue a very different thesis.

Wright V. "Reshaping the State; Implications for Public Administration" West European Politics, pp 102-34 (1994)

- a very stimulating essay which lists the full range of interventions attempted by West European Government in the past 2 decades.

Articles

"Why is it so difficult to reform Public Administration?" Francois Dupuy (PUMA 1999)

b. British Experience

Commoner Flynn N.

and E. Mellon Managing Public Services - competition and decentralisation (Butterworth and Heinemann 1992)

- a clear introduction to the new challenges.

Elcock H. Change and Decay in Public Administration in the 1990s (Longman 1991)

- good introduction to the developments in Britain.

Farnham D and

Horton S. Managing the New Public Services (Macmillan 2nd edition 1996)

- You've read the theory: now assess the practice. This is an excellent overview of the impact of the "managerialist" ethic which has been imposed on public services in Britain over the past 15 years on managerial functions in national and local government service and the health service generally - and services such as education and police. Chapters are included on strategic management (Elcock), Financial Management and Quality, Marketing, Personnel and I.T.

The conclusion lists the following benefits from the approach -

- budgetary responsibility has led to increased productivity (through shedding of staff) : and increased sense of staff responsibility which is generally welcomed
- services seem more rational : mission statements and business plans result in clear output specifications "leading to more accountability and continual review of standards and costs"
- PSO have to be more responsive to the customer : and the reduction of union power makes staff "more innovative and accountable to managers and client-groups"

Problems indicated about the new managerialism are -

- its philosophy is autocratic
- and politicised
- staff morale low
- transaction acts and "balkanisation"
- instances of financial irregularities from "competitive, contractual, insular and adversarial culture"

Ferlie E et al The New Public Management in Action (Oxford 1996)

- this is the first book to look at the British developments (mainly health) from the perspective of organisational theory. And critically.

Foster C and

Plowden The State under Stress - can the Hollow State be Good Government? (Open University Press 1996)

- they attribute 10 principles to NPM ;

- separating purchasing public services from production
- serving consumers rather than bureaucratic, political or producer interests
- using market pricing rather than taxes

- where subsidising, doing so directly and transparently
- extending competition
- decentralising provision
- empowering communities to provide services
- setting looser objectives, and controlling outputs rather than inputs
- bringing about deregulation
- prevention of problems rather than cure, through planning

Much of their analysis is concerned with the different methods and effects of the first separation - particularly in relation to the role of the political system.

Heclo H and

Wildavsky A The Private Government of Public Money (Macmillan 2nd edition 1981)

- probably the most insightful book ever written about attempts to reform the budgetary process. Draws on interviews carried out with British policy-makers in the late 1960s and early 1970s.

Jackson Peter "The New Public Sector Management : surrogate competition and Contracting Out" : chapter in Privatisation and Regulation : a review of the issues

- very crisp overview .

Lovell Roger Managing Change in the New Public Sector (Longman 1994)

- Highly recommended as a handbook for public sector reform (in the British context). The first part draws on practice and research to give useful frameworks for thinking about such issues as -

"Gaining Support for Change" (chapter 4),

"Understanding People" (chapter 5),

"Communications during Change" (chapter 6)

"Managing Resistance to Change" (chapter 7)

"Helping Individuals cope with change" (chapter 8)

The second part looks at Instruments of Change (including empowerment, quality, the citizen's charter and contracting)

The final section of the book considers 7 case-studies (eg DVLA, Benefits Agency, HMSO, Employment Service, the Stamp Office)

Metcalf

and Richards Improving Public Management (Sage : 2nd edition 1990)

Morgan and

Murgatroyd Total Quality Management in the Public Sector (Open University Press)

Pollitt C and

Harrison S Handbook of Public Services Management (Blackwell 1992)

- The introduction gives a clear and coherent perspective on the confusing changes and buzzwords of the past decade. It first establishes what is **distinctive about public management** - accountability to politicians; difficulty in establishing goals and priorities;

the complexity of organisational networks; rarity of competition; relationship between provision, demand, need and revenue; processing people; professionalism and line management; the legal framework. **Four themes** are then used by an equal mix of practitioners and academics to look at the challenges prevailing at the beginning of the decade in a range of UK public services viz

- evaluating
- controlling ps professional
- new approaches to resource management
- strategic management.

It is very much “work in progress”, reflecting the uncertainties and possible choices lying ahead in the 1990s. Now more of historical interest.

Rhodes R (ed) "British Public Administration : the state of the discipline" - spring 1995
issue of Public Administration

- the most thorough description and analysis of the dramatic changes in thinking about public administration and government in the past decade (see also Pollitt). Contains chapters on "Administrative Theory" (Dunsire), "Public Law" (Drewry), "Public Policy" (Hogwood), "From Public admin to Public management : reassessing a revolution ?" (Gray and Jenkins), "Intergovernmental relations" (Stoker), "Comparative Public Administration in UK" (Page), "Shifting sands: teaching public administration in a climate of change" (Greenwood) and "Emerging Issues in public administration" (Hood)

Willcocks L and

Harrow J Rediscovering Public Services Management (McGraw Hill 1992)

- most of the books on the new public management are written by public administration academics who bring a specific worldview to the experience. There are curiously few assessments of the radical changes from the management perspective - whether theorists or practitioners. This is one such collection ; the first section reviews "the current managerial ethos" (Vinten), "strategic management in public services" (McKevitt), "Innovation and organisational learning" (the eds). Part Two looks at such issues as - the manager/consumer interface, monitoring the manager, the manager as technologist : and the management of the Health, Social and Police Services.

ALSO

Administrative Reform is not the-be-all-and-end-all of modernisation. It takes place in a wider political, economic and social context: it needs to be sensitive to that if it is to be effective. Recent British history is perhaps the best documented of the **ROLE** of such reform in the **wider context of strategies for change**.

Banham John The Anatomy of Change - blueprint for a new era (Orion 1995)

a salutary read for those dealing with the problems of Central Europe, it demonstrates that the development task is one of permanent renewal !

British political institutions are held in such respect - and yet patently still needing major rethinking (30 years after the modernisation concern was first raised) on

- the machinery of government (and on political and official roles)

- the educational and training system
- the housing market
- the health and social policy systems

John Banham is uniquely placed to write about these issues, having been Director of the UK Audit Commission concerned actively to explore ways of increasing the operational effectiveness of Local Government and the Health Service - and his solutions are a stimulus to policy development in central Europe.

Blackstone T

Plowden W. Inside the Think-Tank : advising the Cabinet 1971-1983 (Heinemann 1988)

Coates David The Question of UK Decline : state, society and economy (Harvester 1994)
- a model of a careful and critical analysis of the variety of "explanations" which have been offered over the past few decades for this phenomenon.

Commission for

Social Justice : Social Justice - strategies for national renewal (Institute for Public Policy Research London 1994)

- commissioned by John Smith, the late Leader of the British Labour Party, to redefine this concept 50 years after the creation of the Welfare State, this top-level group produced a most stimulating tract.

Its basic concern is to extend universal opportunities for financial independence, work, lifelong learning, good health, safe environment and equal opportunities : the opening chapters look at causes and remedies viz "the ways in which the economic, social and political revolutions of our times have left the UK tied down by economic inequality and political centralism". Chapter 3 sets out 3 different directions offered by 3 outlooks labelled as "The Investors", "The Deregulators" and "The Levellers". Considerable emphasis is given to "responsibilities" - and to the need for community decision-making

Garrett J. Westminster - does Parliament Work ? (Gollancz 1993)

- the author is a management consultant and an MP and has written here a tough account of why Parliament does not work.

Heclo H and

Wildavsky A The Private Government of Public Money (Macmillan 1974)

- probably the most insightful book ever written about attempts to reform the budgetary process. Draws on interviews carried out with British policy-makers in the late 1960s and early 1970s.

Hutton Will The State We're In (Jonathan Cape 1995)

- a passionate but also analytical British case-study ; of why it has been in terminal decline for so long and what must be done. Written in the political economy tradition, the central economic argument is an old one - that the weakness of the British performance lies in its financial system ; that the targets for profit are too high and the time horizons too short. On the administrative side - "Arrogant executive discretion, official secrecy, centralisation of power and the lack of engagement with the concerns and groups that make up civil society

(which so disfigure the operation of British companies as well as Governments) have their origins in the semi-autocratic system of government."

The book's originality and power lies in the connection it makes between the arguments for strong democratic institutions and civil society and the performance of the economy. In this it is highly relevant reading for Central Europe!

Jenkins

Simon Accountable To None : the Tory Nationalisation of Britain (Hamish Hamilton 1995)

a salutary read for those who believe that Thatcher has loosened government control of public services in Britain and allowed the market to decide.

The reality of the past decade has been an enormous increase in Central Government power and detailed controls over local government (its financial autonomy now extinguished with only 18% of its revenue now coming from own sources - compared with almost 60% in 1979) : and over police, health, schools, universities and housing.

And a costly series of policy disasters (eg the poll tax farce is reckoned to have cost 20 billion pounds: schools policy and Rail privatisation actually went against neo-liberal policies), meaning that public expenditure (at 45% of GNP) is now higher than when Thatcher became PM in 1979. And Jenkins draws on impeccable sources to demonstrate that it has consistently been services controlled by central government that have grown - not those in the 1980s controlled by others!

Britain's public service system was, pre-Thatcher, a tripartite one - with "services authorised by the national Government, their level fixed and partly financed by local councils, and they were administered by the professions. The public sector operated on the basis of a wide range of treaties, between tiers of government, institutions and occupational groups. Thatcher tore up these treaties....standardised performance measures and assessments of personal and collective need brought the Treasury nearer to that goal of twentieth century socialism, the equitable, national unit of welfare, the perfectly efficient state."

This is a balanced book - with Jenkins giving Thatcher credit (on pp244/245) for industrial privatisation and sale-of-council houses, for the purchaser/provider split and the audit culture (although he thinks it has gone too far).

What is interesting is (i) how much Thatcher had to be pushed into this ultimate agenda (only after her 1987 victory) (ii) how much of the momentum has really picked up only under Major and (iii) the extent to which the story of such an incredible centralisation is very much one of the Treasury wreaking its revenge for the period in the late 1970s when it seemed to lose its traditional control. An essential case-study for Central Europe.

c. Case Studies (European and Comparative studies)

What purport to be comparative studies very often turn out simply to be juxtapositions in the same book of single country experiences - with no comparative overview or framework. Exceptions are Coombes, Olsen, Peters, Pollitt and Troia below.

Boston et al Public Management ; the New Zealand Model (Oxford 1996)

Colomer J. Political Institutions in Europe (Routledge (1996)

- a concise and excellent introduction to the institutions of 15 countries in Western Europe written by some of the best European political scientists. Each chapter is written on a common format - helping comparison and covers parties, electoral rules and outcomes, parliaments, and national, regional and local governments

Coombes D and

Verheijen Public Administration Reform - exchanges between central and Western Europe (European Commission 1996)

- a very worthwhile exploration of west and central (Bulgaria, Hungary and Slovakia) European experiences through three perspectives ; east, west and then jointly !

Eliassen and

Kooiman Managing Public Organisations : lessons from Contemporary European Experience (Sage 1993)

Farnham D and

Horton S. New Public Managers in Europe - public servants in transition (Macmillan 1996)

- a rare collection of assessments of how the radical changes in organising government services have affected the working practices of officials in Belgium, Britain, Finland, France, Germany, Ireland, Italy, Netherlands and Spain.

Flynn N and

Strehl Franz Public Sector Management in Europe (Harvester 1996)

- looks at how Sweden, UK, Netherlands, France, Germany, Austria and Switzerland are dealing with issues of planning, budgeting and managing people : and the process of changes they have enacted in these systems in recent years. Some impressions to emerge are -

- the apparent inability of the centralised French system to reform itself
- the initiatives of the German municipalities (modelled on Dutch Tilburg model - and promulgated by their Association) and the disinclination until very recently of the Laender to modernise.
- the pragmatic and consensual approach in The Netherlands (eg "Great Operations" of centre-right in 1980s followed by "The Great Efficiency Operation" of centre-left in 1989 : decentralisation of 1991). This reflects the "corporatist" structures and thinking there.

Hayward

and Page Governing the New Europe (Polity 1995)

- very good on the wider institutional context.

Hulme

and Turner Governance, Administration and Development : making the state work (1997)

Ingraham PW The Foundations of Merit ; public service in American Democracy (John Hopkins 1995)

Kelsey Jane Economic Fundamentalism (Sage 1995)

- strong critique of the process and effects of the “capture” by ideologues of economic, social and administrative reform in New Zealand. A rare book which tells the story from the “other” side.

Lane JE (ed) Public Sector Reform – rationale, trends and problems (Sage 1996)

- academic treatments of developments in Australasia, Canada, Germany, Central Europe, UK, Netherlands, Nordic countries, France and Spain ; chapters also on fiscal decentralisation.

Naschold F. New Frontiers in Public Service Management - trends and issues in state and local government in Europe (de Gruyter 1996)

This is a detailed assessment (by a German academic) of the changes in public management in Finland: and the analysis is placed in the comparative OECD context, with particular reference to the Social Democratic impulse of the Scandinavian approach of the past decade. As such it is very helpful counter to the more managerial writing of the Anglo-Saxons which has so far dominated this literature.

OECD

In Search of results (PUMA)

Administration as Service - the Public as Client (1987)

Governance in Transition - Public Management Reforms in OECD Countries (1995)

Budgeting for Results (1995)

Responsive Government (1996)

see also the OECD Country Management Profiles which contain a summary of the steps each country has taken in the past decade or so to make its system more effective and responsive. Also more detailed country studies such as the Portugese.

Olsen J and

Peters G Lessons from Experience - experiential learning in administrative reform in eight democracies (Scandin. Univ Press 1996)

Peters G Comparing Public Bureaucracies : problems of theory and practice (Alabama 1988)

Pollitt, Hanney Public Management Reforms ; five countries studies (Helsinki EDITA 1997)

Troia Sylvia Moderniser l'Administration - comment font les autres ? (les Editions Organisations 1995)

- an excellent comparative study of the reform process in France, Britain and Australia. Very practical.

Schick Allen The Spirit of Reform - managing the New Zealand State Sector in a Time of Change (87 page Study commissioned by the State Services Commission 1996)

- a crisp overview of a radical change effort which was heralded in an unusually forthright Treasury paper to the new Labour Government of 1987 about the "capture by departmental interests" of the policy machine and led in 1989 to a coherent reform effort strongly and quickly implemented which is now held up as a model to the rest of the world for its emphasis on the contractual culture - both detailed contracts between Ministers and departments (to achieve the separation of purchase from provision) ; and individual staff contracts. Although Schick emphasises the uniqueness of the endeavour, I have to say that it is, from the British perspective, all very familiar. The only difference seems to be its initial coherence - compared with the British incrementalism - **particularly in relation to accountability** (which "has not been an afterthought ; it was designed into the new system at the outset and ,as gaps have been identified, additional requirements have been imposed" p.73).

The paper is generally positive about the changes although in several places serious points emerge - (a) most of the benefits flow from the managerialism inherent in the specific changes rather than the particular "transaction" theory underlying the programme ("letting managers manage" versus "making managers manage" which is the essence of the contractual approach) ; (b) the tangible gains are balanced by transaction costs, loss of sense of service and collective interest - he suggests at one point that ex-ante controls have simply been replaced by ex-post evaluations - and that the technocracy of "accountability" could undermine the more important "responsibility" which is the essence of managerial autonomy ; (c) the contract between Ministers and Departments is "open to fundamental questions. I am not persuaded that this approach is suitable for the majority of purchase situations facing government. It works only where there is real competition" ; (d) the gains could be lost - "final assessment of how much departments have been transformed must be reserved for it remains to be seen whether the new management style will survive one or more changes in leadership - I wonder whether in the rush to change, departments have been sufficiently sensitive to established values" (p52)

The paper is, however, concerned to look at detailed areas which now need attention - such as reducing the annual assessment of Chief Execs ; and simplifying the performance measures.

One of the most important innovations seems to be something which emerged recently - Strategic Result Areas (SRA) and Key Result Area (KRA). One of the interesting issues is that "outcomes" - defined as "the impacts or consequences for the community of the outputs of Government" - are the responsibility of Ministers and "outputs" of Chief Execs. As Schick argues "outcomes are measures that indicate progress, or lack of it, in achieving public objectives. They should be seen only as indicators of direction and be employed more for formulating policy than for maintaining accountability"

Two worrying points are made in the conclusion - "the accountability regime overloads departments. The multiplicity of information requirements can induce compliance behaviour which breeds passivity, reluctance to take risks etc. This may not yet be in evidence but it will not be long..."

"In the lit of public management, accountability and responsibility are often used interchangeably. But the words lead down different managerial paths. Responsibility is a personal quality that comes from one's professional ethic, a commitment to do one's best, a sense of public service. Accountability is an impersonal quality, dependent more on contractual duties and informational flows."

Suleiman

Waterbury The Political Economy of Public Sector Reform and Privatisation (Oxford 1990)

Woodhouse D In Pursuit of Good Administration (Clarendon Press)

Papers and Articles

Aufrecht S and

Bun Li Siu "Reform with Chinese Characteristics: The Context of Chinese Civil Service Reform" Public Administration Review March/April 1995 - pp 175-82

Berlin Land Mut zur Reform - auf dem Weg zu einer neuen Unternehmenskultur des öffentlichen Dienstes (1995)

SIGMA Papers eg

- Assessing the Impact of Proposed Laws and Regulations (no. 13)
- Checklist on Law Drafting and Regulatory Management in Central and Eastern Europe (no 15)
- Public Service Training Systems in OECD Countries (no 16)
- Administrative Procedures and the Supervision of Administration in Hungary, Poland, Bulgaria, Estonia and Albania (no 17)
- Law Drafting and Regulatory Management in Central and Eastern Europe (no. 18)
- Effects of European Union Accession – budgeting and financial control (no. 19)
- Effects of EU Accession – external audit (no. 20)
- Promoting Performance and Professionalism in the Public Service (no 21)
- Management Challenges at the Centres of Government ; coalition Situations and Government Transitions (no 22)
- Preparing Public Administrations for the European Administrative Space (no 23)

d. Critiques

Clark John Managing Social Policy (Sage 1995)

- a sociological approach which suggests that most of New Public Administration is rationalist rhetoric to cover old-fashioned power ploys. The book covers social security, health, community care, criminal justice, leisure and local government.

Pollitt, C. Managerialism and the Public Services (Blackwell 1993)

Ranson S. and
John Stewart Management for the Public Domain - enabling the learning society
(Macmillan 1994)
- bit long-winded

Symposium on "Reinventing Government" in the summer 1994 issue of Public Administration
Special feature on "Restructuring Government" in the summer 1994 issue of The Political Quarterly

"New Modes of Control in the Public Service" by Paul Hoggett in Public Administration :
spring 1996
- this gives more detail on the argument that recent British developments have used the language of "competition and freedom" to conceal the reassertion of traditional forms of bureaucratic control.

CHAPTER FIVE

SOME CONDITIONS FOR INCLUSIVE GOVERNMENT

"To have a new vision of the future it is first necessary to have new vision of the past" (Zeldin)

"In any organisation that has people with divided loyalties, leaders with short tenure and pervasive but delicate control being exercised from many quarters, bringing about strategic change can be a formidable challenge" (Nutt and Backoff)

Introductory Remarks

In the mid 1970s, as one of the leading politicians of Britain's largest Region, I helped design the strategy for tackling the condition we then called "multiple deprivation" (which is now denoted as "social exclusion") - and was responsible for it during various phases until 1990, when I left the country for new challenges in Central Europe.

As we started our preparations in the vast new Strathclyde Region in 1974 - we were determined about three things -

- *to move away from the arrogance, short-termism and bureaucratic rigidities which characterised the previous systems of local government;*
- *to do something effective about the conditions of poverty and inequality in which so many of our population then lived:*
- *to find new organisational methods which would allow the different groups in our society to work more effectively and creatively together.*

One of the early habits I had developed, in my capacity as Secretary of the ruling party, was that of writing (unsolicited) "position papers" for my political colleagues - generally with titles such as "Toward 1980" or "What is to be Done?" These tried to

(a) remind us all of some of the challenging objectives we had set ourselves a few years earlier,

(b) look at what had been achieved,

(c) explore the possible reasons for shortfalls and

(d) propose a reformulation of strategies and programmes.

I was conscious that such frankness was not always welcome. But policy attention had a dreadful habit of wandering, getting seduced into new fashions. Organisational (and personal) vitality requires a strong sense of our policy and organisational past - and how it connects to our present and future. It's now known as "organisational learning". Theodore Zeldin has put this most expressively in the quotation which heads this introduction - from his marvellous "Intimate History of Humanity".

A social scientist (Bate) spelled it out in a highly readable book on "Strategies for Cultural Change" -

"Thinking historically provides an effective safeguard against collective amnesia (and the associated problems of repeating the same mistakes or endlessly reinventing the wheel) and

provides invaluable learning from past experiences. It helps people to become aware of the vicious circles in which their thinking is trapped; and also leads them to a different awareness of their present, which in turn leads them to ask different questions about their future - Why this, and why now? How did we come to this? Have we done anything like this before? Why are we doing it again? What became of it last time and will the same thing happen again?"

It was in that spirit that, from 1976 to 1990, I had also periodically published detailed articles trying to make sense of the fascinating endeavour I was privileged to be part of (Young 1977; 1985. See also Barr; Smart). Trying, that is, to find new ways of using the resources and skills of local government, the private sector, community organisations and (although to a lesser extent) central government in the West of Scotland to tackle both deep-seated and new problems. Problems which were economic, social and organisational in nature.

A Visiting Fellowship with Urban Studies in the early part of 1997 gave the opportunity to gather these pieces - and tapes of many discussions of the 1980s (which are now deposited in the library there). I have drawn upon such source material to structure this tale in such a way that, hopefully, gives a sense of the uncertainties and moral choices which are an integral part of any attempt by a political system to pursue social justice - as well as efficiency. Few case studies have been able to include this critical dimension - its neglect represents a serious gap in our understanding of the change process. Ken Young has written about the "assumptive worlds": the way in which local decision-makers understand the world and what they can and should change.

Clearly any attempt to analyse, and bestow significance on, complex events with which one was oneself deeply involved is fraught with difficulties of selection and opinion - particularly when local government did not then receive the attention of researchers; and when the analysis is being done a decade later. I can here only give some of the detail of some of what I consider to be the relevant interventions - their reasons and possible wider significance.

What is missing is any real sense of the life of the ongoing machinery of government, as its officials in the various Departments dealt with the demands which came to them from above, below and sideways from government circulars; from members of the public and from councillors - let alone from the operational and development needs of such basic units of service as schools, colleges, social work area offices, police offices, bus depots, homes for the elderly and for children in difficulty, repairs and cleaning teams of various sorts.

Such pressures, in diverting the energies and attention of senior policy makers often threaten to sweep away even the best-established of "innovations". And there were certainly many such - in the early years rate-capping, the Poll Tax and an intensive and conflictual school-closure programme - during the 20 years covered in this narrative.

INTRODUCTION

1. A MISSING MANAGEMENT AND STRATEGIC CAPACITY

2. THE SYSTEMIC CHANGE in SCOTLAND

- Local Government Reorganisation
- Delegation of Strategic Planning

3. STRATEGIC DIRECTION in the West of Scotland

- New-Style LEADERSHIP
- A NEW AGENDA
- Local Conditions in the national spotlight
- The emergent strategy
- Feeling the way to a new policy dynamic

4. DEVELOPING THE DETAILED POLICIES

5. WHY THE GOOD START?

5.1 DISSATISFACTION

- of a small number of leading politicians and officials with the prevailing structures for making and implementing policy; and a desire to make the government machine and resources more relevant to the "disadvantaged". Given the extent of local government control of housing, educational and other resources - and the dominance of the Labour party - there was no-one else who could be blamed!
- the fact that most of the public organisations and leaders were new - creating an atmosphere encouraging innovative thinking and reducing defensiveness
- attacks on the size of the Region - forcing the leaders to search for legitimacy
- media discovery of a major problem (also making the introduction of new approaches easier to sell)

5.2 ALTERNATIVES

- the existence and work of the Clyde Valley Plan group.
- apparent successes of the community development approach in helping challenge the inertia of departments.
- The emphasis on local structures also gave the political answer to those who questioned the size of the Region

5.3 PROPELLANT (ie support sufficient to outweigh the attractions of doing nothing)

- several key figures had been involved in this "alternative" work and were therefore already working to establish new priorities and practices
- support for urban innovation from central government from 1974-79
- media concern expecting a response to the "scandal" uncovered by the "Born to Fail" Report
- the themes of prevention, co-operation and participation had been established in the late 1960s in various national reports and were beginning to influence the thinking of professions. And were consistent with democratic Scottish traditions.
- the possibility of a Scottish Assembly had given some public opinion reason for suggesting that the life of this enormous Region would be short-lived. This created a certain incentive toward radical policies.

5.4 SUPPORTING MECHANISMS

- the intensive dialogue at 3 levels (internal : citizen : inter-agency) encouraged both by the Regional Report system helped develop the understanding of the need to reallocate resources to the older urban areas.
- the Policy sub-committee and the member-officer groups were the new structures legitimising the new search
- new Scottish Social Work legislation had given a "proactive" role to the departments of Social Work which allowed many of them to identify strongly with the strategy. And they had policy entrepreneurs who rose to the challenge
- the area structures and initiatives which then proliferated were chaired and serviced by individuals who were committed to the strategy
- the stability of the political leadership allowed the strategy to take a long-term perspective : and to be open (eg the Open Forum)

6. NEW CHALLENGES - NEW FORMULATIONS

- Some initial results

- "Generating Change"
- "Social Strategy for the 90s"
- A draft strategy for "Social Inclusion"

7. A FRAMEWORK FOR ASSESEMENT

This paper tries to do several things

- to suggest some preconditions for coherent and robust policy-making
- to lay out the "assumptive world" and ongoing learning of some key policy influentials in Britain's largest local authority as they chose to apply some principles common to both social justice and organisational development to the changing political and social context of the West of Scotland in the 1980s and 1990s
- to use this experience to pose more general questions about political learning and government structures in the new millennium.

8. COMMUNITY DEVELOPMENT - WHAT EXACTLY WAS BEING ATTEMPTED?

- The Objectives
- What exactly was expected from Community Action?
- Community Business

9. "JOINED UP" THINKING AND WORKING (inter-agency work)

Co-ordination (lack of) has been the perpetual cry of reformers for most of the century. Like other reforming Councils, The Region used various techniques to try to achieve this - with minimal effect. The wider implications of this are explored in para 13.

10. POLITICAL LEARNING - some processes, dilemmas and messages

It has never been easy for local authorities to handle ideas. They have historically been devices for allocating resources to fairly independent agencies whose "products" were beyond question. As, however, the fragility of these products - and their interrelationships - have become more obvious; and as new approaches are introduced, it becomes more important that we develop the tools to learn from what we are doing. This is, of course, the message about "organisational learning" which has become so fashionable in the management literature of the 1990s. Paragraph 3 has indicated the dissatisfaction with the Committee system and the more open processes of policy development which were used. It should be put on record that one of the first things the new Convener attempted in 1974 was to persuade his colleagues that the "shadow" Council should operate in its first year without the traditional Committees - to give it a chance to look more "holistically" at issues. The critique behind this is elaborated in paragraph 13.

This section explores two questions -

- How, in the absence of recognised experts, did a coherent policy emerge - and develop over time?
- What were the "lessons" key policy-makers felt they were learning from the experience? About both good and bad practice.

11. IF YOU HAD THREE WISHES.....?

The lessons as they were seen at a more personal level in the late 1980s/early 1990s

12. REINVENTING THE BROKEN WHEEL?

Another checklist (this time from the 60s)

13. TRANSFORMING GOVERNMENT SYSTEMS

- Some fundamental constraints
- Why don't professional bureaucracies work?
- How realistic is the rhetoric about "holistic" government?

14. CONCLUSION

1. A MISSING MANAGEMENT AND STRATEGIC CAPACITY

In the 1960s British local government was felt to be in crisis (Maud: Stewart). The criticisms levelled against it in various official reports were that -

- local services such as education, housing, leisure had grown rapidly in the post-war period, with national legislation giving significant responsibility and resources to the local councils for this : who did not, however, develop **proper coordination or financial control**.
- there was **no coherent Executive figure** : there are no elected Mayors in Britain - and then only a legally qualified Clerk as "primus inter pares". Leadership, basic management and strategic direction were missing.
- the **councils were too small** : failing, as a result, to attract good quality professionals and politicians : this being suggested as one of the reasons for a noticeable drift of power to central government and to (democratically unaccountable) Boards
- local elected **politicians interfered too much in detailed administration** : through a Byzantine, time-consuming committee system.
- all of which meant that **local authorities were increasingly seen** (by both the public and central government) as continuing practices and offering products which were no longer wanted.
- incapable therefore of dealing with the **challenge of modernisation** which was very much the theme of the 1960s in Britain.

The local authorities in the older industrial areas such as the West of Scotland were particularly bad: working class loyalties consistently elected Labour party working class "grandees" to power. Given the disparity in qualifications and education between them and their professional staff, the latter effectively had the "real" power (of agenda creation).

The average local politician was satisfied with being able to bend a few rules to give individual voters marginal advantages in such things as house allocations and repairs and school bursaries. And, otherwise, leave it to the professionals.

The scale of municipal power was particularly comprehensive in Scotland where, until the 1980s, the local council owned three quarters of the housing stock, 90% of education and most of the local services - including buses. Only health and social security escaped its control: these were handled by Central Government. Local government simply could not cope with such massive responsibilities (although such a view was rejected at the time).

This was particularly evident in the larger housing estates which they had built for low-income "slum" dwellers in the immediate post-war period -

- there were few services in these areas
- employment was insecure
- schools in such areas had poor educational achievement and were not attractive to teachers/headmasters
- local government officials were not trained in management : and treated their staff in a dictatorial way
- who in turn treated the public with disdain

The contemptuous treatment given by local council services seemed to squash whatever initiative people from such areas had. They learned to accept second-class services. Behind this lay working and other conditions so familiar to people in Central Europe

- work was in large industrial plants
- for whose products there was declining demand
- the culture was one of waiting for orders from above. There were few small businesses since the Scots middle class have tended to go into the professions rather than setting up one's own business (Steel)
- rising or insecure unemployment
- monopolistic provision of local public services
- and hence underfunding of services - queues and insensitive provision
- and hostility to initiatives, particularly those from outside the official system.
- even elements of a "one-party state" (the Labour party has controlled most of local government in Scotland for several decades).

Special committees of experts was set up by central government in 1971 (Bains: Paterson) to produce - as guidance for new local authorities then being created in England and Scotland - organisational guidelines for better management and policy-making.

The main criticism of the reports they produced was the way that local government decision-making focussed too much on-

- (a) on the past (ie continuing to do what it had done in the past)
- (b) on itself (making no attempt to explore what those receiving its services thought or wanted).
- (c) on single services - rather than the corporate.

The reports were concerned to ensure that the structures of local government -

- were more sensitive to the **needs of the community it was supposed to be serving** (rather than the interests of the various departments). These **needs are constantly changing and do not respect departmental boundaries**
- had an **effective (political and management) capacity to be able to question the continued relevance** of existing policies and procedures.
- recognised the need for a variety of coordinating devices.
- separated more clearly the roles of politicians and professionals

The new local authorities were therefore recommended to -

- appoint a Chief Executive
- set up a Policy Committee (Cabinet)
- establish strategy processes (to ensure a focus on policy issues and on the future)
- have inter-departmental groups (to help that strategic work)

All this reflected what was considered best practice in business and was concerned to concentrate administrative and political power in new structures and posts which were to be used to stamp a strategic purpose on the "ad-hocery" which passed for management.

Corporate management and planning structures became fashionable: and, despite some critiques from those working at a neighbourhood level (Benington: Cockburn) and others (Dearlove), it took almost a decade before local government realised that it had adopted the worst - rather than the best - practices of big business (Mintzberg), relying on centralised (and internal) sources of intelligence and strategy-making to sustain the insensitivity of Departments to the changing world outside!

2. THE SYSTEMIC CHANGE in SCOTLAND

2.1 LOCAL GOVERNMENT REORGANISATION

Between 1966 and 1968 independent Royal Commissions in England and Scotland took evidence about some (the more technocratic) of these problems - and issued recommendations which, after intensive debate, were largely accepted for Scotland: and led, in 1974, to the sweeping away of its 625 municipalities and replacement by 65 - 53 Districts Councils and 9 Regional Councils and 3 all-purpose Island Councils.

In the West of Scotland, this meant new people - with new energy: and a clearly defined set of manageable tasks.

Strathclyde Region was created to concentrate on

- infrastructure (roads, transport, water, sewage)
- human resources (education and social work)
- police and fire
- strategic planning
- economic development

Glasgow District on

- housing
- routine municipal services
- culture
- local planning

The Scottish Development Agency on

- inward investment
- strategies and resources for sectoral development
- being a catalyst for local economic partnerships.

Strathclyde Region had been created to give a **strategic dimension and powers** (and a financial base!) for local action to deal with the crisis in the West of Scotland. Its infra-structural responsibilities, however, went far beyond the technical - they included running schools and colleges (with more than 50,000 staff) and all social work services (with 20,000 staff). The Region had therefore a **strong local presence**; and social work departments had been created just a few years earlier to take forward the **values of participation, prevention and co-ordination particularly at a neighbourhood level**.

The results of this reorganisation were particularly significant for Glasgow. Before 1974 its City Council was an enormous, centralised megalith unable to do anything well. After reorganisation -

- the task of dealing with the City's problems could be dealt with by 3 properly organised - and resourced - agencies.
- Each could now concentrate on certain tasks
- While, equally, realising that it was now in competition!

An unmanageable problem had been made (at least more) manageable!

2.2 DELEGATION OF STRATEGIC PLANNING - and DIALOGUE

A new system of decentralised planning (the so-called "Regional Report") was introduced at the same time by the new Labour Government. This did two things -

- put the responsibility for drawing up a regional strategy on the new Regions
- laid down very clearly the **consultative processes with other agencies and people which were to be followed to ensure broad consensus**. In other words, agencies were actually encouraged to talk with one another!

Here is a very good - but unfortunately all too rare - example of central government understanding that effective action comes from central government setting a (light) framework. And then encouraging local people to take decisions - but in a way which respects good practice.

The Regional report process was a contributory factor in the strong partnership spirit which became such a feature of the urban regeneration work in the Glasgow area in the 1980s. The process **built on the work of an ad-hoc team planning team which had been created voluntarily in the late 1960s** by the old local authorities to produce recommendations on how West Central Scotland could get out of its crisis (Wannop). The team produced its recommendations in 1972, two years before the first elections to the new Region: this helped achieve a consensus about the basic principles of the new Regional strategy - particularly that the focus for development had to switch from the establishment of new "green-field" sites to that of regenerating the older urban areas, particularly Glasgow.

The Labour Government of 1974-79 accepted this: and quickly demonstrated its own commitment by establishing what was Britain's first major programme of urban renewal - in the east end of Glasgow (GEAR). The physical transformation of the area was a major contribution to the subsequent successful reshaping of Glasgow's image. The aims were, however, entirely physical - with no reference to the underlying economic or social realities (Donnison/Middleton). I remember going for a personal discussion with the Labour Secretary of State for Scotland who subsequently became the successful EU Commissioner for Regional Development) and his Minister of State to share with them my experience of such corporate efforts (on a much smaller scale) in my own town (McKay and Herman): and the misgivings I had about a structure which continued to ignore the community dimension. They listened with interest and some sympathy: but the machine at their disposal could not respond in those days. That took more than another decade - and another Government!

3. STRATEGIC DIRECTION in the West of Scotland

The systems in which we work are "givens" - they may make our work more or less difficult: they may or may not be capable of change - but we have to work for the moment within their limits. The issue is how creatively we use them. Structural changes (reorganisation, bringing larger local councils: and new management systems) are generally necessary conditions for improved performance - but clearly they are not sufficient in themselves. Those in charge of new systems have to choose what to do with them

3.1 New-Style LEADERSHIP

The first elections of 1974 gave Labour a handsome majority in Strathclyde Region - 72 of the 103 seats. And on the first Sunday of May 1974, the newly-elected came together to choose the leadership of what was the largest unit of local government in Europe (with a staff of 100,000 responsible for services for half of Scotland's population: an annual budget of 3 million dollars).

The powers of the new Region had attracted a good calibre of politician - the experienced leadership of the old counties and a good mix of younger, qualified people (despite the obvious full-time nature of the job, we were expected to do it for a daily allowance of about 15 dollars. Clearly the only people who could contemplate that were the retired, the self-employed or those coming from occupations traditionally supportive of civic service - eg railwaymen and educationalists)

With a strong sense of heading into the unknown, a dual leadership was created - with the public persona (the President and Policy Leader) being someone fairly new to politics, a Presbyterian Minister (without a church) who had made his name in "urban ministry" working with the poor. Geoff Shaw inspired great respect - particularly in the world outside normal politics - and brought a new approach. He was determined to have more open and less complacent policy-making: particularly with respect to social inequalities (Ron Ferguson). Appointed as the Leader of the Majority Group (and therefore holding the patronage powers) was an older and politically much more experienced man - an ex-miner. Dick Stewart may not have had the formal education and eloquence of Geoff but he commanded respect (and fear!) amongst both politicians and officials of the Council for his ability to get to the heart of any matter and for his honesty. He readily grasped the key elements in any issue: and would not easily deviate from policy. To persuade him to change, you had to have very strong arguments or forces on your side - and a great deal of patience. This made for policy stability: occasionally frustrating but so much more acceptable than the vacillation and fudge which passes for so much policy-making! Geoff stood for moral direction: Dick for order.

Both had a deep sense of justice: and utter integrity to their principles. And the new political structures unusually adopted for this most unusual of local authorities gave them both an equal share in policy leadership.

The difference in perspectives and styles occasionally caused problems: but both approaches were very much needed in the early years. In some ways one saw the same dynamic in the early years of the Czech Republic - between Havel and Klaus. It raises interesting questions about whether - and how - such dualism could be institutionalised in local government.

Sadly, when 4 years later, the Convener died, the tensions led to a rethink of the concept: and all power concentrated in the hands of the Leader.

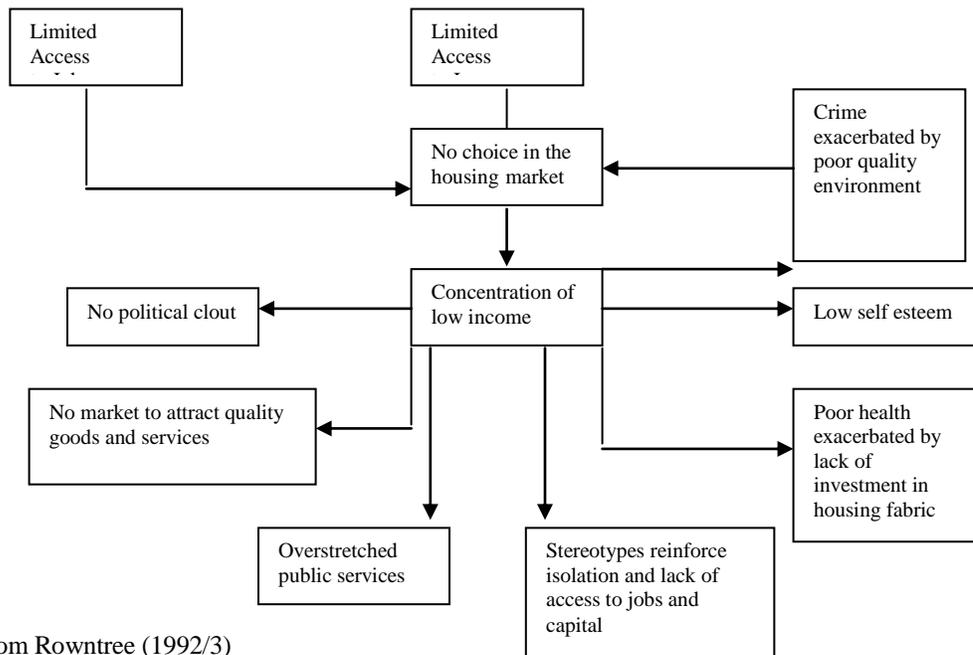
3.2 A NEW AGENDA

3.2.1 Local Conditions in the national spotlight

Within months, the new agencies in the West of Scotland faced pressures from the media and central government to respond to a **newly discovered problem** - "multiple deprivation". In 1973 a national Report was published - "Born to Fail?" - by the National Children's Bureau (NCB), a major Children's Charity - which demonstrated statistically that -

- children living in certain housing estates (and inner-city areas) which had concentrations of poor housing, unemployment and social problems were "disadvantaged" in their subsequent life chances
- Glasgow and the surrounding Clydeside area had a disproportionate number of families living in such conditions.

At this stage, explanatory theories were in short supply - although "inner City" research soon became an industry in itself (Hall). As far as more policy-oriented explanations were concerned it was, in fact to be 20 years before the simple diagram below was used in a Rowntree-funded series.



The NCB report was a great advantage to a few politicians and officials who had come into the new Region with positive experiences of working with residents in these areas and determined to use its power to change the operation of local government (Ferguson; Gibson; McKay; Young).

3.2.2 The wider Context

Reformers may have been small in numbers at a local level in Scotland: but they were not alone - and had some powerful inspiration and support

- The 1966-1970 Labour Government and the Heath Government of 1970-74 had both taken important initiatives relating to urban poverty. The British Government had created in 1968 a Special National Fund which was to be crucial in the following 20 years for urban development - the Urban Programme (Higgins: Edwards). This has been influenced by the American "War on Poverty" of the early and mid 1960s (Marris and Rein) and encouraged local groups in poorer areas to develop local initiatives. One of the most challenging of these programmes was the Community Development Programme which was beginning to produce their initial publications by 1975 (Benington).
- The critique of the welfare state was underway - from left (Townsend; Illich) and right alike. Governments were felt to be trying to do too much (Rose). Although some of this was to lead on to neo-liberalism and severe spending cuts, other parts supplied legitimisation for small-scale community initiatives.
- people such as John Stewart at INLOGOV were spelling out and legitimising a more ambitious role for local authorities than simply that of administering services : one which indicated the possibility of it being the catalyst for partnerships of the public, voluntary and private sector in the area (Stewart).

This thinking was, however, based in England. Scotland has its own traditions of legislative processes; professional systems of training; and politics. It was these which shaped perceptions of need and change in local government - not English fashion!

In one case, at least, Scottish developments were ahead of English: the mission of the new Social Work Departments established in 1969 in Scotland was explicitly to "promote social welfare" - through better co-operation between local services and the involvement of people in improvement processes.

3.2.3 Changing the Policy Climate

But there were strong forces in local government unsympathetic to change! In those days the mythology was that the urban ghettos (which were actually the new housing schemes on the periphery of the towns and cities) had a disproportionate amount of money spent on them. The opposite was in fact true: it was the middle class who benefited disproportionately from state spending - particularly education and housing subsidy.

Up until then the attempts of a few of us to persuade our political and officer colleagues that (a) the conditions in the housing estates were unacceptable and (b) that there were better ways of using local authority resources had met with indifference and hostility. There was, we were patronisingly told, nothing we could do to change the behaviour of such people.

Now, however, the Report gave us proof that the conditions were much worse in the West of Scotland: each town had its collection of housing schemes which were seen as problematic. They could not therefore be fatalistically accepted. They were not God-given!

And, furthermore, this was not an internal report with confidential status and restricted circulation. It was a public report which had aroused the interest of the regional and national press. It could not be ignored. Some sort of response was called for.

In trying to develop a response we faced strong resistance from two sources - first the left within the Labour Party who argued that economic realities meant that there was nothing that could be done at a local level (and in this they were joined by Keynesians). Growth and redistribution were matters for national Government and would have therefore to await a reforming Labour Government.

The second difficult group was the staff of the public sector whose loyalties were to their particular profession rather than to a local authority, a neighbourhood or policy group! And many staff had deeply-held prejudices about the capacity of people in these areas - and the desirability of working participatively with them - let alone other professional or local politicians.

How we devised a policy response - and its focus - had to be sensitive to these attitudes. The search for policy was also made immediately more difficult by the absence of any "experts" in the field. We knew there were none within the Council: and appeals to the local Universities produced no responses in those days.

We could, however, vaguely see **four paths which had not been attempted** -

- Positive Discrimination : the scope for allocating welfare State resources on a more equitable basis had been part of the "New Left" critique since the late 1950s (Townsend). Being a new organisation meant that it was to no-one's shame to admit that they did not know how exactly the money was being allocated. Studies were carried out which confirmed our suspicions that it was the richer areas which, arguably, needed certain services least (eg "pre-school" services for children) which, in fact, had the most of them! And, once discovered, this was certainly an area we considered we had a duty to engage in redistribution of resources - notwithstanding those who considered this was not for local government to attempt.
- Community Development : one of the major beliefs shared by some of us driving the new Council (borne of our own experience) was that the energies and ideas of residents and local officials in these "marginalised" areas were being frustrated by the hierarchical structures of departments whose professionals were too often prejudiced against local initiatives. Our desire was to find more creative organisational forms which would release these ideas and energies - of residents and professionals alike. This approach meant experimentation (Barr; Henderson; McConnell).
- Inter-Agency Cooperation : there needed to be a focussed priority of all departments and agencies on these areas. Educational performance and health were affected more by housing and income than by teachers and doctors! One agency - even as large as Strathclyde - could not do much on its own. An intensive round of dialogues were therefore held in 1976/77 with District Councils, Central Government, Health Boards, Universities and Voluntary Organisations: it must be said that considerable time elapsed before there were material results from this eg it was 1984 before the Joint Area Initiatives in the larger Glasgow Housing Schemes were up and running.
- Information and Income-Maximisation : the Region could certainly use its muscle to ensure that people were getting their entitlements : ie the information and advice to receive the welfare benefits many were missing out on. The campaigns mounted in the late 1970s were soon pulling millions of pounds into these areas: and served as a national model which attracted the active interest of the Minister at the time.

3.3 THE EMERGENT STRATEGY

Some elements of a different approach were discernible - and it was the political leaders themselves who had set it out. A small group of the most senior councillors was set up - as the sub-committee of the Policy Committee. This gave a clear signal to the system of the overriding priority the Council was giving to positive discrimination in favour of the people of these areas - as had been signalled in the Convener's first address to the new Council when it took up its operations in May 1975.

Conditions in 114 problem areas were reviewed (using Indices of Multiple Deprivation) and a research group from the Tavistock Institute supplied a written assessment of the lessons from the few experiences which existed on community planning (including the negative experiences of Government-led programmes). Various dilemmas sketched out in para 11 below were confronted. It was then decided that the manageable thing to do was to designate 45 of them as "Areas of Priority Treatment" (APT's); to try to work differently in these areas; and to learn from that.

Basically the approach was that local residents should be encouraged to become active in the following ways -

- **have their own local forums** - where, with the local politicians and officials, they could monitor services and develop new projects.
- **have access to a special local initiative fund** - The national "Urban Programme" Fund. It was not a lot of money - 10 million dollars a year from a total development budget of 300 million and had problems referred to in section 11.1 below. But without it, there would have been little stomach for the innovative (and risky) projects. At the best of times, senior management of most departments would have been a bit ambivalent about locally designed and managed projects: and these were not the best of times!
- **have their own expert advisers** (more than 300 community workers (Henderson) and more specialist advisers (in such fields as housing, welfare benefits, credit unions, community business) in what were initially 45 designated priority areas of, on average, 10,000 people with unemployment rates of about 20%)

Such an approach allowed "a hundred flowers to bloom" - and the development in 1982, after an intensive and inclusive review of the experience of the first five years, of the principles and framework of the Social Strategy for the Eighties.

3.4 FEELING THE WAY TO A NEW POLICY DYNAMIC

At the end of Strathclyde Region's first year of existence in 1976, a major weekend seminar of all the councillors and the new Directors was held to review the experience of the new systems of decision-making. The exhilarating experience a few of us had had of **working together across the boundaries of political and professional roles** first to set up the new Departments and second on the deprivation strategy was something we wanted to keep. And other councillors wanted that involvement too.

Our answer was "member-officer groups" (Young 1981). These were working groups of about 15 people (equal number of officials and councillors) given the responsibility to investigate a service or problem area - and to produce, within 12-18 months, an analysis and recommendations for action. Initially social service topics were selected - youth services, mental handicap, pre-school services and the elderly - since the inspiration, on the officer side, was very much from one of the senior Social Work officials.

The council's organisational structure was also treated in this way in the late 1970s (the extent of external assistance sought was that every member of the group was given a copy of a Peter Drucker book as text!) - and a group on Community Development helped pave the way for the first local authority Committee for Community Development.

And eventually, in the mid-1980s, even more traditional departments such as Education succumbed to this spirit of inquiry!

The member-officer groups broke from the conventions of municipal decision-making in various ways -

- officials and members were treated as equals
- no one was assumed to have a monopoly of truth : by virtue of ideological or professional status
- the officers nominated to the groups were generally not from Headquarters - but from the field
- evidence was invited from staff and the outside world, in many cases from clients themselves
- the reports represented a political statement that certain issues had been neglected in the past
- the process invited external bodies (eg voluntary organisations) to give evidence
- the reports were written in frank terms : and concerned more with how existing resources were being used than with demands for more money.

- the reports were seen as the start of a process - rather than the end - with monitoring groups established once decisions had been made.

The achievements of the groups can be measured in such terms as -

- the acceptance, and implementation, of most of the reports : after all, the composition and the openness of the process generates its own momentum of understanding and commitment !
- the subsequent career development of many of their chairmen
- the value given to critical inquiry - instead of traditional party-bickering and over-simplification.
- the quality of relations between the councillors : and with the officials

With this new way of working, we had done two things. First discovered a mechanism for continuing the momentum of innovation which was the feature of the Council's first years. Now more people had the chance to apply their energies and skills in the search for improvement.

We had, however, done more - we had stumbled on far more fruitful ways of structuring local government than the traditional one (the Committee system) which focuses on one "Service" - eg Education which defines the world in terms of the client group: of one professional group and is producer-led. And whose deliberations are very sterile - as the various actors play their allotted roles (expert, leader, oppositionist, fool etc).

As politicians representing people who lived in families and communities, we knew that the agendas of the Committees we spent our time in were not really dealing with the concerns of the public: were too narrowly conceived; and frustrated creative exchange. For this, we needed structures which had an "area-focus" and "problem focus".

We were in fact developing them - in the neighbourhood structures which allowed officers, residents and councillors to take a comprehensive view of the needs of their area and the operation of local services: and in the member-officer groups. But they were running in parallel with the traditional system.

3.5 UNEASY CO-EXISTENCE

The structures we developed gave those involved (not least the officials) a great deal of satisfaction.

The challenge, however, was to make those with the conventional positions of power (the Chairmen and Directors) feel comfortable with the challenges raised by the new structures. We were aware that our basic messages to professional staff about.

- the need to work across the boundaries of departments
- the need for consultative structures in the designated priority areas
- the capacity of people in these areas

represented a fundamental challenge to everything professional staff stood for. This was expressed eloquently in an article in the early 1980s - "Insisting on a more co-ordinated approach from local government to the problems of these areas, trying to open up the processes of decision-making and to apply "positive discrimination" in favour of specific (poorer) areas challenge fundamental organising beliefs about urban government - viz the belief that services should be applied uniformly, be organised on a departmental basis; and hierarchically" (Hambleton)

What we were doing was in fact running two separate systems - a traditional one and a more innovative one which defied traditional lines of authority. The latter was more challenging - but, paradoxically, left with the younger officials and politicians to handle. And, during the Eighties, more "alternative" systems were developed - such as 6 Divisional Deprivation Groups which to whom the Policy sub-Committee passed the responsibility for managing the urban programme budget in their area.

4. DEVELOPING THE DETAILED POLICIES

The first "Multiple Deprivation" policy document of 1976 had contained a statement that there were no experts in the issue. The implication was that policy dialogue had to be open to all: lines of hierarchy could not be allowed to interfere with the development of understanding.

This was particularly evident in the unusual way in which the major review was carried out of the experience of the first five years of the strategy.

Six Community Conferences, involving more than a thousand residents and staff of the Priority treatment Areas, were organised over the winter and spring of 1981/82 to consider a tentative assessment of the experience of the previous few years; and draft proposals for further development.

And the timing was carefully chosen - with the final session, at Regional level, being held just a few weeks before the May 1982 Regional Elections. This ensured that almost the first act of the 1982 Council was to consider a detailed and coherent Social Strategy for the Eighties which then became the "bible" for the strategy (Young 1987).

This spirit was also evident in the informal Open Forum held in the Regional Headquarters on a monthly basis for several years in the 1980s - and allowing a dialogue between the policy-makers and those officials and community activists who cared to come along. Attendance would generally be about 60.

Social Strategy for the Eighties is too long to be a mission statement: too eloquent to be a normal policy document. It was rather an element in a continuing policy dialogue.

Social Strategy for the 80s-

- gave a strong political justification of the need for reallocation of departments' mainline resources (eg for Roads to spend less on motorways and more on street lighting in these areas !)
- clearly stated the reasons for supporting community action
- outlined new policy structures for each APT
- indicated the intention to set up, with relevant District Councils, Joint Initiative Structures for the ten or so major Housing Schemes
- listed the themes (eg community business, pre-school services, adult education) to which priority would be given in urban aid submissions. With this came a new "negotiated" model of policy development.
- Gave a commitment to bring forward new systems of support for the long-term unemployed. The Region was the first government body in Britain to recognise in the early 1980s that this was now a permanent feature of society.

The document was printed as an attractive booklet (complete with poems!) and widely distributed, as was a shorter version in the internal staff Bulletin. The Region's free Newspaper distributed to every household - and more selective monthly "Digest" sent to all Community groups - were both intensively used in the years to come to explain the details of the work.

Workshops were held in a variety of public and professional settings over the following years to get the key messages across. And these were simple - if challenging-

"The existing inequalities in service allocation did not happen by accident: they are mediated through the administrative machine by generally well-intentioned professionals and administrators practising apparently fair and neutral principles. To tackle these inequalities therefore requires more than a general expression of content handed over, in traditional style, for implementation. It demands the alteration of structures and the working assumptions".

"What we were asking our staff to do in 1976 was to accept that fairly simple things were needed from them in the first instance; not massive spending but just a commitment, firstly to those who lived in the APTs; secondly to attempting new relationships both with their colleagues in other Departments and with residents. We were also asking for imagination and courage ; in encouraging staff to bring forward proposals for better practice despite the discouragement we knew they would encounter from the rules, traditions and prejudices which seem deeply engrained in certain departments"

"The majority of staff are discouraged from joint work with councillors, other professionals and residents in APTs by the way the traditional departmental system of local government works. Career advance depends on one's work as a professional or manager in a particular department - and not on the collaborative ventures emphasised in this and the 1976 document. That is the crucial issue which must now be faced and resolved. Exhortations and good intentions are no longer enough"

5. WHY THE GOOD START?

"In any organisation that has people with divided loyalties; leaders with short tenure; and pervasive but subtle control being exercised from many quarters, bringing about strategic change can be a formidable challenge" (Nutt and Backoff 1993)

We have reached the point in the story where it would be useful to try to identify those factors which allowed Strathclyde Region at least to engage in strategic change: to begin this very novel and ambitious attempt to get public resources used more effectively and sensitively for the average citizen. And a strategy which understood the paramount need for a new relationship to be built between citizens, professionals and politicians.

- What were the conditions in the Strathclyde context which inspired a politico-bureaucratic system to undertake over a twenty-year period such a variety of innovations?
- And what lessons do these give to those who wish to shake up bureaucracies elsewhere?

We are now besieged by texts on "Managing change" offering guidance on how most effectively to transform our organisation (see Senior for a good up-to-date overview).

It is obvious that, for significant policy change to take place, at least three things are needed -

- people have to be "dissatisfied" with the status quo
- there has to be an "acceptable" alternative ie one which is "feasible" and supported
- these forces need to outweigh the total costs (including psychic) of the change.

Of course, this simply provides the favourable preconditions : whether anything relevant then happens then depends on a mixture of political will and skills - and good management. The writer who has most influenced recent thinking about planned organisational change is Kurt Lewin who suggested it involved the management of a three-phase process of behaviour modification -

- **unfreezing** : reducing those forces which maintain behaviour in its present form, recognition of the need for change
- **movement** : development of new attitudes or behaviour and the implementation of the change
- **refreezing** : stabilising change at the new level and reinforcement through supporting mechanisms - policies, structures or norms.

I have used a variant of such headings to suggest that the elements which were critical in allowing us the construct a strong strategic drive were -

5.1 DISSATISFACTION

- of a small number of leading politicians and officials with the prevailing structures for making and implementing policy; and a desire to make the government machine and resources more relevant to the "disadvantaged". Given the extent of local government control of housing, educational and other resources - and the dominance of the Labour party - there was no-one else who could be blamed!
- the fact that most of the public organisations and leaders were new - creating an atmosphere encouraging innovative thinking and reducing defensiveness
- attacks on the size of the Region - forcing the leaders to search for legitimacy
- media discovery of a major problem (also making the introduction of new approaches easier to sell)

5.2 ALTERNATIVES

- the existence and work of the Clyde Valley Plan group. Concern about the viability of the Region had already persuaded the leaders of the previous Counties to co-operate in establishing in 1970 a small team to produce the basis of a new Regional plan - whose recommendations, one year ahead of the new Region being created, strongly urged a focussing on the older urban areas.
- apparent successes of the community development approach in helping challenge the inertia of departments.
- The emphasis on local structures also gave the political answer to those who questioned the size of the Region

5.3 PROPELLANT (ie support sufficient to outweigh the attractions of doing nothing)

- several key figures had been involved in this "alternative" work and were therefore already working to establish new priorities and practices

- support for urban innovation from central government
- media concern expecting a response to the "scandal" uncovered by the "Born to Fail" Report
- the themes of prevention, co-operation and participation had been established in the late 1960s in various national reports and were beginning to influence the thinking of professions. And were consistent with democratic Scottish traditions.
- the possibility of a Scottish Assembly had given some public opinion reason for suggesting that the life of this enormous Region would be short-lived. This created a certain incentive toward radical policies.

5.4 SUPPORTING MECHANISMS

Authority is a perennial problem for government - with its complex professional and political networks and sources of power. The private sector has a more straightforward power structure - and yet the change literature abounds with titles such as "Why Change Programmes Don't Produce Change". It is now accepted that effective change needs structures and processes which make people feel involved in the change.

In this case there were a range of people and processes to allow the new thinking to be both immediately supported - and taken forward -

- the intensive dialogue at 3 levels (internal : citizen : inter-agency) encouraged both by the Regional Report system helped develop the understanding of the need to reallocate resources to the older urban areas.
- the Policy sub-committee and the member-officer groups were the new structures legitimising the new search
- new Scottish Social Work legislation had given a "proactive" role to the departments of Social Work which allowed many of them to identify strongly with the strategy. And they had policy entrepreneurs who rose to the challenge
- the area structures and initiatives which then proliferated were chaired and serviced by individuals who were committed to the strategy
- the stability of the political leadership allowed the strategy to take a long-term perspective : and to be open (eg the Open Forum)

6. NEW CHALLENGES - NEW FORMULATIONS

6.1 Some initial results

- As a result of the first decade's work, each of the 88 priority areas had, by 1990, about 6 innovative, locally-managed projects (employing in total some 23 staff, about a quarter local) - focussing on youth, employment, adult and pre-school education, the elderly or general advice.
- certain areas of work had been identified as so promising as to deserve organisation into special strategic programmes involving the establishment of small Central Support Units to develop good practice. Community Business and Pre-School Education were two such topics.
- Negotiations with 3-4 District Councils - and with Scottish Office - allowed the establishment of Special Joint Social and Economic Initiatives in several larger Housing Schemes, on a properly managed basis. And with specially dedicated resources.

These are, of course, inputs only - not policy results. After ten years it might have been reasonable to start asking questions about the impact these were having on the originally-defined problem of "multiple deprivation". Were life chances increasing?

Two factors made such questions muted - first problems of measurement - what exactly would be measured, over what period of time? No agreed conceptual framework was actually to hand on this.

The second factor was the realism of expecting tangible results at a time when global and Government forces were reducing the flow of income into the households in these areas: was it not sufficient that we had no riots! But sustaining such inputs was increasingly difficult financially. The 75% Exchequer support for the funding which sustained this work ended after each project reached the end of five - at most seven - years: the financial consequences therefore of simply continuing such projects added more than a million pounds each year to the Region's budget. This at a time when Government had placed legal limits on each council's

spending - and was exacting financial penalties for "overspending". Such work could therefore be continued only if spending elsewhere in the Region's budget was reduced. Even after a decade of financial restrictions, there was scope for such budgetary reallocations eg many schools which were operating at almost half capacity. And, unlike most authorities, Strathclyde took up this challenge with some enthusiasm.

6.2 The Wider Context

A social strategy for the Eighties was clearly not relevant for the Nineties! A new strategy was needed - not only to deal with the frustrations indicated above - but to reflect the implications of the changed socio-economic and political conditions.

Poverty had more than doubled over the period - and the financial circumstances of the poor had deteriorated particularly when compared to the rest of the population. In 1971 male unemployment in Castlemilk, on of the larger housing estates, was 10 percentage points above that of a middle class area - by 1991 the gap had grown to 35%. The number of households with a car rose in the latter from 73% to 83%. In the former it actually dropped from 19% to 14%.

Nearly 150 primary schools in the Region have more than 80% of children eligible for clothing and footwear grants.

And new problems had emerged as major concerns such as drugs, fear of crime and lack of safety on which a range of initiatives had been established (in 1978 a social survey in these areas had identified "dogs" as one of the major anxieties).

On the broader front, the Conservative Government had been determined, from 1979, to break the power of the local self-governments - initially by rate-capping and then by a variety of legislation which forced the "contractualisation" not just of technical services and housing but, from 1987, of educational and social services (Farnham and Horton). Even schools have been encouraged to "opt out" of local government control: although few, particularly in the West of Scotland, have chosen to do so.

The initiative for urban change moved from local self-government professionals to central government and to consultants in development agencies established at a town level by Government - who lack understanding of and access to some of the relevant local authority services and any real accountability. And any reason for getting involved with the long-term unemployed. During the 1980s the government had abolished the metropolitan counties in England - and, from the end of the decade, Ministers began to talk of a reorganisation of Scottish local government along single-tier lines. And even if the general election of the 1990s brought in a Labour Government, it had a major commitment to establish a Scottish Assembly. Clearly the days of the Region were numbered!

6.3 "GENERATING CHANGE": new packaging - or a new package?

The mid 1980s saw new administrative and political leadership take over in the Regional Council - at a time when the Conservative government was moving into a strongly ideological strategy of reducing the power of local politicians in local public services. Both of these factors had an influence on the Social Strategy.

In 1987 the small group of officials in Strathclyde Region who had been working on the strategy since the start tried to identify what they felt they had learned from more than a decade of work about successful urban/regional strategy work.

This was sparked off by the statement that Margaret Thatcher made from the steps of Downing Street on the night of her re-election at last promising action in "the Inner Cities".

Suspecting that those who had been working on such issues for the previous decade in local authorities and in community organisations would be the last to be consulted by her (and that QUANGOES such as the Scottish Development Agency) would be given an increased role, we quickly drafted "Ten Principles for Success" in difficult urban areas, included these in an attractive 4-page note and distributed it carefully to key policy-makers in London.

And went down to London to talk with business leaders and editors of national newspapers about it.

Principles for Success

- long-term commitment to the problem area (minimum of 10 years)
- genuine partnership
- community participation from the outset
- a few visible (relevant and realistic) projects which would generate confidence
- working from a local base

- shared training of staff
- need to find new ways of operating

By the early part of the following year the Region produced, with the help of consultants, a more definitive (and glossy) statement of its urban policy - this time for private sector partners who were clearly going to be given by the Government a stronger role in urban policy - whether they wanted it or not.

The document described the nature of the economic and social initiatives undertaken **by the public sector** since 1976 to deal with urban dereliction; emphasised the partnership approach which had been adopted by the local agencies; and listed what were considered from the work to be the essential features for successful local partnerships.

SUCCESSFUL LOCAL PARTNERSHIPS NEED TO -

- develop a clear mission
- negotiate on agreement
- set a realistic timetable
- define targets
- adopt a holistic approach
- promote good communications
- build up trust
- empower local people
- create local forums
- clarify the scope of decision making
- train people and build capacity
- create leverage

from "Generating Change" (Strathclyde Region 1988)

The document then, somewhat cheekily (in view of the known Government preferences) invited the private sector to become involved in four main areas of work -

- land and property development
- community enterprise
- finance and investment
- education and training.

Some people felt that the Region had gone too far in the direction of economic and commercial objectives in the search for new partners and had ditched social welfare. But enterprise had always been a central part of its approach.

And we were well satisfied when the government report which was eventually published in spring 1988 ('New Life for Urban Scotland') reflected the key concepts (even to the phrases) of the Region's report.

Unlike the English document, local government was given a continuing role in regeneration - even although it was from this point beginning to be clear that the relative freedom we had enjoyed to take our own initiatives would now be severely constrained.

It was from this point that some of the motivation and commitment was in danger of seeping away: for that reason alone a celebration of achievements was in order.

The government policy showed great realism by choosing to concentrate its urban initiatives on only 4 out of 144 possible housing schemes: and indeed selecting those which had already been the subject of considerable community and local authority work in the previous decade.

This concentration of government action in areas containing only a tiny percentage of those who were "disadvantaged" took place at a time when other parts of government policy were very seriously reducing spending on key aspects of life and services for the poor.

"Generating Change" was therefore a reaffirmation of the Council's original principles, a celebration of achievement, an indication of its readiness to move into a stronger relationship with government and the private sector and a statement of the terms of such partnerships. It was not, however, entirely opportunistic since Glasgow's private sector had already played a crucial part in Glasgow Action, the force behind the city-centre strategy.

6.4 Social Strategy for the 90s

In 1991 a major review was undertaken - using a process designed to increase the sense of ownership of departments, residents and politicians alike. Social Strategy for the Nineties reaffirmed the policy priorities of fighting deprivation and unemployment : but was able to produce more detailed indications of aims and proposals for action.

Reflecting the budgetary crisis, some of the frustrations with traditional Departments and the experience of closing schools, a new budget system was established - Strategic Management of Resources - which gave groups of members the responsibility of identifying savings in each department from "low priority" activities as a precondition for any bids for new development. And, following on reviews undertaken in the late 1980s by academics such as Stewart Ranson and Robin Hambleton of the educational and area systems respectively, a more formal system of area decentralisation was set up.

7. A FRAMEWORK FOR ASSESEMENT

This paper does not attempt to make an overall assessment of the 20 years' experience. This clearly is not a simple story - indeed there are at least five different "stories" in the policy sense (Stone) in what has so far been recounted -

- **The Preconditions for coherent, relevant and robust policy-making**

These have been summarised at para 5 above - and offer a possible checklist against which to test, for example, the chances for current Social Inclusion efforts in, for example, Scotland. The new Parliament clearly gives a new beginning; and detailed policies which build on a broad consensus borne of experience are in place - but is there enough commitment and external pressures?

- **The Scope for Local Autonomy - "what the Lord giveth, he taketh away"!**

Few local authorities have been endowed with such powers and resources as Strathclyde Region. Within four years, however, government started the process of constraining them - and ultimately destroyed the entire Region. For the past 30 years, local government has been a favoured play area for British Central Government. In the 1960s and 1970s the gangleaders were essentially civil servants driven by rationalistic notions of scale and coherence.

In the 1980s, the leader of the pack was a Prime Minister driven by a mixture of ideological animosity to local professional power and of political inability to stomach the pluralism embedded in the very concept of local government. The games played were many and diverse and will doubtless in future inspire Central European Governments. They fall into three basic categories

a. Reorganisation - first in 1974, with the *ab initio* establishment of a two-tier system in both Scotland and England. Later by the abolition first of the offensive Greater London Council and then of the large English Metropolitan Counties which exercised largely strategic functions. Finally by the abolition of the Regions.

b. Financial starvation - through penalisation of "excessive" spending; setting legal limits on spending and, ultimately, by abolishing the property tax (which had given the Region almost 50% of its expenditure) and replacing it by a Poll Tax (which gave it only 20%). This reduced the local political function to that of "executioner"

c. Stripping of functions (or assets) and transfer of functions and resources to the private sector and central government created and controlled agencies (in training and local economic development in the 1980s; in urban regeneration in the 1990s). However, nothing more will be said about this crucial issue here!

- **The Content of a Social Inclusion Strategy**

There were, basically, four strategic principles in this work (positive discrimination; community development; income-maximisation; inter-agency cooperation,). How the first three of these were understood - and the sorts of lessons were learned are discussed in paras 8 and 9. The inspiration for such work on this had been the earlier Labour Government's Community Development Programme (Higgins) and a later Labour Government's 1977 White Paper on Inner Cities represented official thinking at the point national urban strategies closed down for a full decade. More considered national thinking on that experience had to wait on the work of the Standing Commission on Social Justice and of the Rowntree Foundation's special series in the 1990s - and very much reflects more local initiatives of the sort covered here.

- **The possibilities for inter-agency co-operation which such work demands**

"Joined-up action" is now the jargon for an issue which is back in fashion after almost two decades in which the market was seen as the answer. Para 9 spells out the issues. The paper has already indicated at 3.2.3 the adoption by the Region of more open and dynamic structures of policy design and implementation at both HQ and local level. The implications of these for traditional policy mechanisms are further explored in para 13).

- **The ways politicians can learn from experience about the impact of government policies and/or structures**

One of the my consistent concerns is how politicians - as elected representatives of the people - learn about their roles and work. Suspicion of established civil servants has been shared by both left and right - and much use is now made of special advisers and consultants. Para 10 indicates a different approach.

8. COMMUNITY DEVELOPMENT - WHAT EXACTLY WAS BEING ATTEMPTED?

"A programme is what it does: not what it would like to do or was established to do. The distribution of funds and staff time are good indicators of what an organisation actually does rather than what it believes it does or tries to convince others that it does" (SM Miller)

8.1 The Objectives

In a sense, the Region's early policy statements were no more than an indication of the need for change: and an invitation to join a more open process of moving away from some undesirable states and procedures toward an undefined goal.

One of the earliest reviews of deprivation strategies by INLOGOV had suggested that a key to effective work in this area of urban deprivation was "generating understanding and commitment" in the various parts of the local government system - understanding, that is, about the scale of human waste and commitment to change those things that sustained such waste.

Rhetoric and new structures are easy!

The question is whether people really understand the reasons for any new policies and structures introduced? And are they committed? That is the key to real change.

The Strathclyde goals were expressed, variously, in the following terms

- "reallocating resources to APTs"
- "responding to and resourcing community initiatives"
- "encouraging dialogue and co-operation between local officials and councillors"
- "transforming the way people think about themselves and what they are capable of" (conclusion to Social Strategy for the Eighties)

If one wanted to be cynical - or if you are hold to the Public Choice critique - namely that public policy serves the interests of such policy "actors" as professionals and politicians rather than consumers - you would find little surprising, in times of financial constraints, about politicians moving away from "big projects" and supporting a strategy which gives them local control over small neighbourhood budgets!

Bureaucratic interests are also served - since new posts are on offer. And everyone basks in the free publicity of a grand new endeavour - which does not really challenge the basic position of the powerful - and the things they hold dear. Systems survival - rather than policy achievement - is the name of the game! The real questions are -

- whether this really added up to a policy which affected the detail of what officials were doing
- whether the policy mechanisms had the relevant resources and focus : and continuing political and managerial support.

8.2 What exactly was expected from COMMUNITY ACTION ?

Two rationales can be seen for the community action approach in the early years.

The first assumed that, if structures and support were made available in areas with such concentrations of problems, then ideas for better local services would be developed - including self-management. People in small working-class neighbourhoods knew one another - could identify more easily than any outside professional those who needed special attention: and had a distrust of outsiders. They were therefore an important resource to ensure a more effective focus for services for such groups as teenagers and the elderly - if not for such general services as policing.

And they were the people actually living in the houses which were then the subject of rehabilitation: it clearly seemed sensible to involve them in the planning! Far from such involvement leading to expensive options, it generally kept both immediate and more long-term costs under control.

And, if better models of practice emerged from this local work, it could inspire others and be adopted elsewhere.

The second strand of thinking was more radical; that local authority services were designed to deal with individuals - pupils, clients, miscreants - and did not have the perspectives, mechanisms or policies to deal with community malfunctioning. No immediate solution was in sight on this - but it clearly involved building up structures and skills at a neighbourhood level.

Such was the thinking - nothing here about social engineering. The implicit logic was that if local government could recommit itself to the people in areas of high unemployment, treat them as individuals with rights and responsibilities, then they would surely respond and help create an environment of raised expectations for their children from the local schools, services and labour markets. And if, in the process, new more corporate models of service were produced which could be replicated elsewhere this might help reshape a clearly outdated bureaucratic system. This was very much a pluralist way of thinking.

Of course, in a neighbourhood of 7,000, one would expect no more than a handful of individuals to dedicate themselves to the improvement of the area as a whole: and, as adult education and health activities got underway, another 30 or so activists might find themselves playing a leadership role. A big conference in the neighbourhood might attract 60 or so people.

Clearly this left the vast majority of the neighbourhood - particularly those whose lives were most devastated by the absence of such structures as formal work.

How, then, was the work of the statutory services and of the community initiatives supposed to break into their cycle of despair? Was there any theory of "transformation" - individual, group or area - underpinning the work? An answer of a sort can be found in a major article published in Social Work Today in 1977 entitled "Community Development - the administrative and political challenge" (Young 1978) which argued that our democratic and political mechanisms no longer worked in such areas.

Problems were never defined by local people there - professionally-dominated agendas were rather imposed on them in a variety of more or less subtle ways. Community development staff were the shock-troops to help make the pluralist system work again! (that was also evident in the "enterprise" rhetoric of community business).

And, although it was never said explicitly, the first stage of the strategy was kept loose and unplanned to allow the build-up of local self confidence to such a stage as would permit more of an equal agenda.

It was only with the establishment in 1985 of the first wave of Joint Social and Economic Initiatives for the larger estates of 50,000 plus population where the unemployment rates were above 25% that the more managerial language of "transformation" began to be used. These, after all, were projects established formally as Tripartite Partnerships - of Region, District and Community - which carried the commitment of the major spending departments of housing and education: and had dedicated management and project resources.

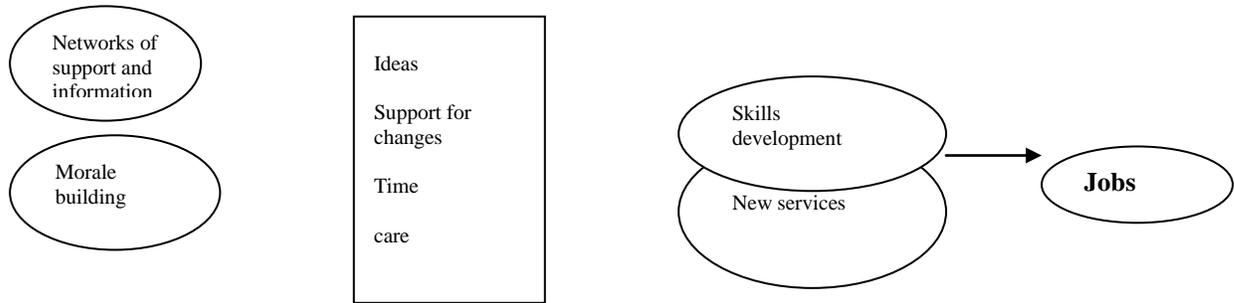
And, in 1988, the Government moved into a stronger role in a few of these areas (see section 9) - setting up another Partnership Structure which brought in three additional sets of actors - civil servants, the private sector and consultants. Few of them had any experience of this sort of work - and, while they were building on a decade's experience, they are working with limited time-scales and their own criteria of "success".

Although, therefore, there has been an official policy of "positive discrimination" for 20 years, it is only in the last ten years that the issue has moved to the centre of bureaucratic concern - subject to serious resources and expectations of impact and defined change, whether measured in terms of school performance; unemployment rates; image of areas and inward investment. Quite where that leaves community action is an interesting question which may be relatively new for local government but is a common dilemma for development work elsewhere (Hulme and Edwards 1997).

Certainly there was naivety in the early expectations that community workers would be "working themselves out of a job": and that community businesses in these areas could become normal commercially viable concerns. The hard reality is that the number of people evicted from the formal economy will not fall and that, given the way the British housing market still works, they will be concentrated in those housing areas with the poor reputations. This will create permanent problems of motivation, facilities and behaviour. The issue then becomes one of how the quality of life in these estates is made acceptable (Pahl): and how, in particular, the life chances of the young are protected. This points to the importance of community support for "ladders of opportunity".



Better services

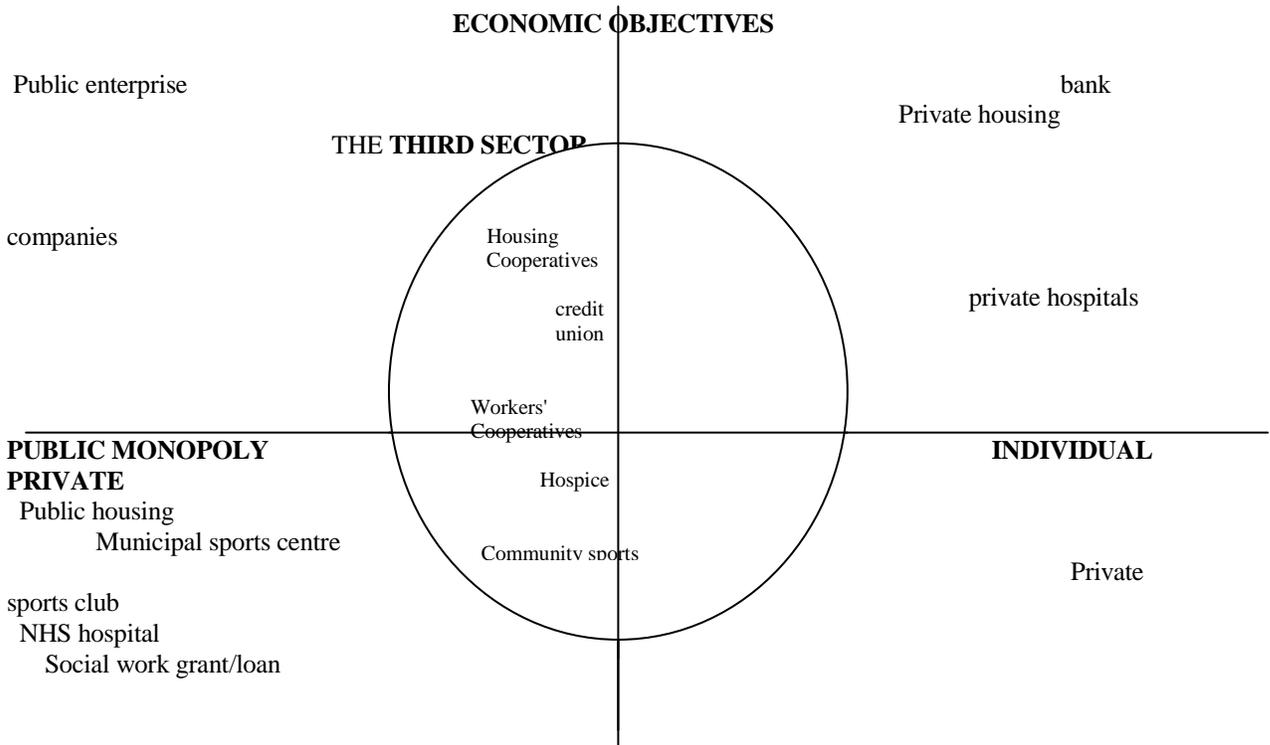


The story of the range of policies actually used in the pursuit of these objectives, how they were managed and interacted, the role of residents in all this and, most critically, the impact: all this remains properly to be told - although the various publications of the Training and Employment Research Unit of Glasgow University and the Planning Department of Strathclyde University do give considerable insights into community economic development.

8.3 COMMUNITY BUSINESS

In the early 1980s the Region and several other local councils established a Foundation to encourage and assist the creation in these areas of high and long-term unemployment of business ventures which were conceived, set up and managed by the local people to supply missing services. This was the result of a modest initiative some of us had started in 1978 as a local response to the increasing unemployment of that period - which, understandably, had seen the focus of neighbourhood action begin to shift from the improvement of housing to that of local income generation - whether initiatives in welfare rights, credit unions or employment. Strathclyde Community Business Ltd (SCB) was, by the late 1980s, a development agency in the West of Scotland with some 30 staff who encouraged and advised local community organisations in the municipal estates establish commercial ventures.

These had the dual objective of providing jobs and much needed goods and services in those areas which the private sector was not, for various reasons, providing - eg security services, stone-cleaning, pre-school services, laundrettes.



SOCIAL OBJECTIVES

SCB Ltd was a Partnership of various public agencies, not least successive governments - with the involvement of the private sector and very much blazed a trail for the concept of community business (Hayton; MacArthur; Stewart; Teague). By the mid 1980s, almost 50 community companies were operational.

The average business employed about 25 people unemployed people from the area and was run by a manager with an annual grant from urban programme of 60,000 pounds: and had a Board of about 10 local people.

By the mid 1980s the initial period of grant support was running out for many of the businesses, and few were showing any profit - which was hardly surprising, given the constraints they faced of management, work-force and market. These were, after all, the areas the market itself had bypassed - despite the opportunities - and the workforce lacked work-experience.

For us, however, there were three big pluses: local people who had been unemployed were now working - developing their work skills and helping improve the area.

The immediate financial costs to the Exchequer of unemployment benefit was about three times the subsidy to the business: and clearly the social costs of unemployment (in health and crime) were also being reduced by such ventures. During the 80s, however, despite the rising unemployment, such arguments and calculations about social benefit were not permissible.

The language of accounting and market success was the only acceptable one - and so we fell into the trap of using the language of commercial viability. And, inevitably, began to believe ourselves that commercial sustainability could and should be achieved.

It is interesting that, by the mid 1990s, the language has become that of "intermediate labour markets" - with less emphasis on local community control and provision; and more on managed programmes to move specific individuals in a planned way back into a wider labour market.

A series of reviews were commissioned on various aspects of the work started in 1986. None of the reviews challenged the basic assumptions of the work (one of the problems about such innovative, exploratory work is that it is not easy to write Terms of Reference - and external consultants stick to their brief!) but rather emphasised the need to sharpen the business side of the operations. Most of the development workers had a community development, rather than business background. People with a combination of both were rare indeed.

And, at this stage, hostility from surprising quarters began to surface: one member council with active support for community business in its own area clearly wanted more active control directed over businesses. And the Economic unit of our own council started to resent the scale of money going to these businesses over which they had no control.

That some of the ventures were actually daring to think of tendering for some of local government's own functions as they were put out by new Conservative legislation on Compulsory Competitive Tendering just added to the ambivalence about community business in certain quarters of local government. Of course complaints would occasionally surface from small business about "unfair competition" - and Scottish Office was, of course, most sensitive about the danger of subsidised social activity preventing private enterprise. The logic of this tended to mean autarchy - that is the restriction of business activities to the APT rather than connecting the area to the broader economy.

The need for SCB to separate the development from the banking function also became an issue during the review discussions. Development workers could hardly be expected to be totally objective in comments about bids which they had encouraged and assisted! And several community businesses had spectacular failures, some of which might have been prevented (MacArthur).

Separate structures for development and funding were duly established - and attempts made to find retired people from the private sector who had the time needed for Board service properly to assess and monitor the business activities.

The Board began to explore, with the assistance of sympathetic members of the private sector, the possibilities of establishing a local community bank to bridge the gap we felt existed for many local ventures. Not just a financial but a psychological gap: the difference between getting a grant of public money and negotiating a loan of other people's money which you will have to pay back. In this review we drew on initiatives in Europe and America: the way in which North American neighbourhood organisations negotiated complex financial packages for development projects in such fields as housing, shopping and even hotels was impressive. The Community Bank was duly established in 1990 - but in 1992 the funders (seizing the

opportunity of the departure of most of the original political supporters) seemed finally to lose patience with the model and replaced it with an agency with the less ambitious aim of supporting "community enterprise". Rather ironically this was at precisely the time the European Union's concern about long-term unemployment and "social and economic cohesion" was reaching its height. The community business model clearly fitted the Delors philosophy and had attracted interest in Brussels from an early stage partly from the active role played by the Region from the mid 1980s in the Executive of RETI, the European lobby for older industrial regions : and then through the bilateral dialogue of the past decade which got underway via the mechanism first of the Integrated Development Programme (one of Europe's first) and, then under the expansion of the Structural Funds and the operation of Single Programming process, of the Strathclyde European Partnership. In the 1990s the European Union published two important studies - the first indicating the importance of non-mainstream activities in the environmental and social areas to new job creation (EU1992) - the second which examined closely the Strathclyde experience and how crucial the community development input over a ten-year period had been to establishing the preconditions needed for effective labour market interventions in areas of high unemployment (EU1996).

9. "JOINED UP" THINKING AND WORKING (inter-agency work)

Generating a commitment and action at a local level to social inclusion efforts is a most complex process for three reasons.

- Different groups of people were, and are, involved
- working, secondly, in different sorts of agencies
- engaged, finally, on different tasks.

The **groups** include -

(a) professionals - highly trained specialists each with their distinct language (generally developed in academia), ways of looking at the world, boundaries and networks. Understandably policeman, for example, will generally have different implicit prescriptions for "excluded", "marginalised" groups and areas than those trained as teachers.

(b) Politicians – who have their own styles, accountabilities, stereotypes, ambitions and networks - as do

(c) community activists and

(d) business people some of whom were getting involved in urban initiatives in the late 1980s.

These people are situated, secondly, in different sorts of **agencies** -

- national/local
- elected/non-elected
- statutory/voluntary
- permanent/temporary
- profit-making/non-profit
- each of which has its own cultures, procedures, constraints, loyalties and language,.

And, finally, many different **tasks** are of course involved in urban renewal - economic and social, relating to housing, health and behavioural and skills issues (Young 1977).

In such a situation, it is a miracle that anything happens! The table below sets out the main actors involved.

The wider structure of agencies and local initiatives

Name	Focus	Purpose	Established by	When	Partners	Annual Budget
Area Initiative	Neighbourhood	To encourage co-ordinated approach to local problems	Region	1978	District Councils	None
Community Business	Strathclyde Region	To set up ventures in poor Areas which provide services and employ unemployed residents	Region	1978	Scottish Office District Councils	1 million
Enterprise trusts	Town	To advise and assist creation of new companies	Confed of British Industry	1984/85	Companies Districts Region	50,000 each
Highlands Islands Development	North West of Scotland	To promote economic activities in the area	Government	1965		22million

Board						
Housing Corporation	Neighbourhoods in Scotland	To help local residents improve housing stock	Government	1965	Voluntary housing associations	123 million
Joint Economic Initiatives	Towns in Strathclyde	Integrated economic Revitalisation	Region	1982	Districts Scottish Development Agency	10 million plus
Joint Social and Economic Initiatives	Large municipal housing estates in Strathclyde	To create an economic infrastructure in areas of high and long-term unemployment	Region Glasgow District	1985		1 million
Liaison Committees	Each of 19 Districts within Strathclyde region	To discuss and resolve issues of mutual interest	The local councils	1975		None
Manpower Services Commission	Company Individual in UK	To provide training	Government	1974		140 million
Mixed Ventures	Neighbourhoods	To improve housing in inner-city areas	Private sector	1980s	Districts Private sector	Variable
Structure Plan	Regions	To zone land and identify local planning problems and solutions	Government	1981	Region Districts New Towns	None
Scottish Development Agency	Companies in Scotland	Economic development Environmental improvements	Government	1975	Local councils	26 million

9.1 CENTRAL GOVERNMENT

The Region was fortunate in its early years to have a Labour Government which shared its commitment to action on urban problems: the high point being the publication in 1977 of the White Paper on Inner Cities which remains one of the clearest governmental statements on the issue.

In 1979 Margaret Thatcher became Prime Minister and, influenced by the critique of the "Public Choice" school, soon demonstrated her mission to destroy the power of the professional and political groups in the public sector. Local government was high in her "hate-list" - particularly because of the confrontational left-wing profile of local authorities such as The Greater London Council and Liverpool.

Scottish councils, however, were more pragmatic and somewhat protected by the special constitutional position the country has enjoyed for the past century - which has given it a separate Ministry (The Scottish Office) based in Edinburgh, which has the budgetary authority for all Scottish public spending. This - and Scotland's size (5 million) - creates more intimate professional networks across the boundaries of central-local government than is the case in England.

And many of the most senior Civil Servants had been strongly supportive of the Region's creation - and its new urban strategy. That support was able to continue during the Eighties - made easier by three factors -

- the pragmatic, non-confrontational tactics adopted by the Region's leadership to the Conservative government
- the bipartisan nature of both the member-officer policy structure and of the community development values at the heart of the urban strategy. The language we chose to use was not political or confrontational - but that of enterprise. Interestingly we had strong support from traditional (and new) conservatives not only from within the Council but from Conservative Councils such as Tayside Region who were the first to copy our approach.
- the critical approach it too took to the operation and performance of the big spenders such as Education.

Sadly, however, no sustained dialogue about the aims and structures of the Region's strategy ever took place between Scottish Office and the Region.

9.2 OTHER LOCAL AGENCIES

Such community initiatives - and power - were not to everyone's taste! Health Boards, who met with the Region on a regular basis, found it very difficult to understand or accept the invitations to them to join in neighbourhood-based preventive work.

And many District councillors, with their responsibilities for housing, were distinctly unhappy to find themselves dealing with well-briefed and organised groups of tenants campaigning for improvements in housing conditions! The reaction of Glasgow councillors was particularly ambivalent since they could never

accept the downgrading of their empire represented by re-organisation: and had their own brand of "managed" community development (co-option to some) which caused some initial problems in our joint working. But the housing work of Glasgow City Council led the British field in imagination and effectiveness - and they had quickly come to pragmatic terms with the increasing role of the private sector in such provision.

A sustained dialogue between 1982 and 1984 between a few of the more reformist leaders of the two Councils did lead to the establishment of several major Joint Economic and Social Initiatives for some of Glasgow's larger housing schemes.

9.3 MEDIA and LOCAL PARTY

The newspapers were quick to support this work - the efforts and successes of local groups were good copy: as there was no political challenge to any of the elements of the work, coverage was focussed on projects - rather than strategies.

More analytical - and provocative - pieces had to be placed in national professional journals such as *Community Care*, *Social Work Today* and *Local Government Studies*: and did not, therefore, produce any debate, despite the profound issues they raised for political and professional practice alike.

Councillors had structures of accountabilities to three levels of the Labour Party - (a) the branch (generally the neighbourhood they represented on the Council, which would select them every four years: and to whom they generally reported on a monthly basis).

(b) the Constituency - although its locus was more parliamentary, it was the traditional focus of local political dialogue and power.

(c) the Strathclyde-wide Party which was responsible for approving the official list of candidates; for drawing up and approving the Manifesto; and which constituted the forum for ongoing policy exchange with the Regional leadership. Those exchanges related to the contentious matters and crises of the moment - relating to the Government's financial restrictions, privatisation and replacement in the late 1980s of the local property tax used by local government with a much-hated and short-lived **Poll Tax** - rather than long-term strategic issues.

9.4 WIDER DIALOGUE

English Councils such as Bradford City, Nottingham and Lancashire Counties expressed active interest in the community development and member-officer group experiences and structures - and, after two-way visits, adopted elements of the strategy. And dialogues at both political and officer level were held with Lothian Region and, in the early 1980s, with the progressive Conservative leaders of Tayside Region who then set up similar structures and strategies.

Later in the 1980s a national lobby for "peripheral housing estates" (RIPE) was established by several local authorities - with the Region in a leading role.

The business sector of Strathclyde also proved to be responsive. When the Region began, each sector had its own perspective - and was just beginning to find ways of talking with one another. Business leaders now recognise the need to tackle the various problems of marginalised groups and areas ("social and economic cohesion" in Euro-speak). Here, the European Union has played a critical role - from the late 1980s through what is now called The Strathclyde European Partnership.

And the 1997 New Labour Government produced in 1999 a Scottish strategy for Social Inclusion - with all the same elements and principles. The one major difference was the more sophisticated approach to labour market intervention which a committed government could bring - in this case its "New Deal" policy.

Against that, however, must be put the political attitude of the Labour party leaders of some of the new councils of 1996 whose long-harboured resentment of the Region and its community development policy could at last find expression. One expression of this was the use made of the major financial crisis caused by the 1997 funding settlement to sack scores of community workers. And also of potential significance is the absence of elected politicians from the working group which produced the Government strategy.

What emerges from this brief overview of perceptions and processes of some of the groups and structures whose support was needed for strategic development is the restricted nature of the serious dialogue. Formal structures were simply unable to handle the complexity of what was involved - and preferred to keep to the "simple" negotiable issues.

10. POLITICAL LEARNING - some processes and messages

One of the purposes of this paper has been to lay out the "assumptive world" and ongoing learning of some key policy influentials in Britain's largest local authority as they chose to apply some principles common to both social justice and organisational development to the changing political and social context of the West of Scotland in the 1980s and 1990s.

It has never been easy for local authorities to handle ideas. They have historically been devices for allocating resources to fairly independent agencies whose "products" were beyond question. As, however, the fragility of these products - and their interrelationships - have become more obvious; and as new approaches are introduced, it becomes more important that we develop the tools to learn from what we are doing. This is, of course, the message about "organisational learning" which has become so fashionable in the management literature of the 1990s (Pearn; Starkey)

Paragraph 3 (particularly 3.4) has indicated the dissatisfaction with the Committee system and the more open processes of policy development which were used. It should be put on record that one of the first things the new Convener attempted in 1974 was to persuade his colleagues that the "shadow" Council should operate in its first year without the traditional Committees - to give it a chance to look more "holistically" at issues. The critique behind this is elaborated in paragraph 13.

This section explores two questions -

- How, in the absence of recognised experts, did a coherent policy emerge - and develop over time?
- What were the "lessons" key policy-makers felt they were learning from the experience? About both good and bad practice.

10.1 Creative Processes for policy design

One of the perennial cries of reformers is how to generate the necessary understanding and commitment amongst the politicians for something new and risky. One device is flattery - for example to invite them on to the Steering Committee of a pilot project and make them feel part of a unique endeavour. This will generally make them more open to new ideas. I am not saying this was the intention of the Tavistock Institute in inviting the Region to join such a committee overseeing a research project exploring "inter-organisational relationships in the new system of British local government" - but it certainly had that effect. It created the confidence, for example, to allow the Region's leaders to invite the two Tavistock researchers to join the 1975/76 search process (Trist; Weisbord) for a strategy.

The coherence of the Social Strategy for the Eighties document is also due to its unusual drafting process. It emerged from six major Community references spread over a 6 month period and calculated to give the new Council of May 1982 an analysis which would help it build on the strengths and weaknesses of the work of the previous five years. But it also drew on some 24 informal workshops which were held during 1981 and early 1982 (The "Network for Urban Change Group") which I was able to organise by virtue of my dual role as Secretary of the majority Labour group and academic. Invitations were issued to those professionals and local politicians from any local authority (and local universities) personally committed to the principles of the strategy and willing to spend time learning the lessons from the initiatives. One theme was selected for each session - with someone being invited to lead each session all of which were taped, with "creative summaries" being circulated by a researcher in advance of the next session. It was, in a sense, an early lesson of "Action-Learning" (Weinstein) and tried to find ways of bridging the boundaries between different professions (and the disciplinary divisions of academia which generally lie behind these).

More conventional methods of review - such as consultancy or departmental documents - were not used at that stage for two simple reasons. We could find no external agency which had any expertise in these matters. And our experience of member-officer groups had persuaded us that such external reviews and reports did not allow the necessary build-up of organisational understanding and support to change.

10.2 Some Dilemmas

Over the course of the 15 years we worked on the programmes, we encountered a lot of dilemmas which seem to be part of this sort of development work -

The "bottoms up" versus "top down" approach

Occasionally we felt some impatience with the pure community development model.

During one such mood, we described it as "drawing lines round certain areas, saying we could do better, dangling a small financial carrot and waiting for something to happen".

It was certainly at odds with cannons of good management which wants clear goals and programmes.

But there was method in the madness -

- The exploratory nature of (and community base for) the strategy made it difficult to dismiss as a political dogma imposed from on high.
- The strategy reflected basic principles of common justice and was flexible enough to leave a lot of scope and allow a sense of ownership of the strategy to develop; as well as help develop self-confidence in community organisations they would need as more came to be expected of them in the 1990s.
- The strategy document, which did try to balance the initial approach with the adoption of a thematic "programme," gave the necessary support to reformist officers when they encounter bureaucratic inertia or professional suspicion about the unorthodox ventures their commitment to community development got them involved in.

But the dilemma is a central one. Politicians feel they have to produce tangible results - not hang around, being nice to people and waiting for them to produce results!

And schools, for example, were so patently failing the working class (failing - for example in simple marketing aspects - to engage the interest of the young) as to make us dissatisfied with simply a "waiting" role.

There were some "models of better practice" - particularly for the early school age-groups. A previous Labour Government had sponsored an "Educational Priority Areas" programme which ran until the late 1970s: but its lessons required changes in existing practice (Eric Midwinter). This, therefore, was a professional matter in which local politicians and corporate officers were not, in those days, allowed to trespass (Smart).

Need versus opportunity

If you are in the "confidence" game (boosting it) you do not initially take on the most difficult problems. Nothing, after all, succeeds like success. But, equally, serious reformers cannot ignore the intractable problems!

The pursuit of social development involves a tricky balance between social and commercial purposes. Too many localities are so concerned to project a good image to potential foreign investors that they pretend that social problems don't exist - and then quickly start to believe their own propaganda. Those on the "margin" of economic activity (young unemployed/immigrants) have energy and skills which need to be mobilised by any healthy society. Riots or alcoholism aren't a good advertisement for inward investment!

The Region developed distinctive Economic and Social strategies: and separate units within the Chief Executive Department for them. Normal bureaucratic politics ensured the growth of serious rivalry (for resources and status) and tension between the strategies - into which, sadly but inevitably, the politicians are drawn.

And in this case there was an ideological aspect too - since the economists brought a very different set of assumptions to their work from those with a planning and social service perspective!

This parallels a similar division elsewhere - even in World Organisations, with the World Bank explicitly limited to economic issues: and other organisation handling social development. One of the interesting current debates is that offered by the Human Development Index published annually since 1990 which very much challenges the ideological assumptions which lie behind conventional GNP indices (Haq)

Musical Chairs?

Whenever a new policy designates a group or area as deserving or requiring special resource attention, there is a risk that any subsequent "success" is achieved at the cost of other groups or areas, being starved of resources and policy attention, then becoming "problematic".

It is certainly a useful political argument for those who find themselves outside the Priority Areas!

And designating low-income areas - rather than people - as the focus of "Priority Treatment" poses two other problems relating to "justice" or need. It is obvious, first, that not all "deserving" people will live within the particular boundaries of the designated areas.

Secondly such designation could serve simply to reinforce the "labels" they and their residents have already been given by employers and investors as a whole: and cause a political backlash for resources being given to the "undeserving poor"

Both intellectually and politically these are not easy arguments. However two things gave us a "window of opportunity" - the media coverage of "Born to Fail": and the respect which the Region's leadership quickly

gained. And the work of the Member-Officer Groups ensured a structure for dialogue and response for constituencies such as the handicapped.

Single issue versus the all-embracing approach

Surely attacking on a single issue - whether incomes, house modernisation, community facilities, nursery provision etc. - is more likely to generate confidence (and results) than a complex all-embracing strategy? And yet the services and factors interact and cannot be divorced from one another.

As S.M. Miller put it: " People live in communities, in groups, in families. Programmes cannot successfully help them if they are treated as atomistic individuals." But where is the political or professional interest in - and capacity for - such a corporate overview?

Corporate consensus versus advocacy

Is it reasonable to expect real change to come from internal working groups composed of interested agencies or departments? More often than not, the representatives of such groups use it as an opportunity to defend or pursue the interests of their agency - rather than to engage in creative thinking!

Does organisational as well as political history not tell us that change is more likely to come from conflict - in the sense of a small, determined group of people using persuasion (of different sorts) to impress their particular perception or argument on others?

Collective versus individual motivation

The support of a group is crucial to the development of demoralised people: and meetings with diverse elements can be more creative than homogeneous ones. Sometimes, however, the stage is reached when the group can be constraining rather than liberating - when people want to achieve for themselves. And the management of many of the community projects was amateurish.

Realism versus hype

"How a programme starts is important: what it promises, the expectations that it raises. The poor are frequently both suspicious and deceivable - expectations can rise very rapidly and collapse suddenly" (Miller).

Initially a low key approach was adopted: no trumpets were blown, no promises made. But if the aim of the initiative is boosting self-confidence - individual or collective - this requires publicity and publicity material - although controlled by local people and striking the right balance between honesty and hype!

11. "IF YOU HAD 3-10 WISHES?"

The prevailing views of those involved in Strathclyde's strategy are caught in the author's published pieces of 1977, 1981, 1987 and 1989. "Social Strategy for the 80s" and "Social Strategy for the 90s" represented the official lessons. Two other documents, however, reflected some more systemic reflections.

In the conclusion of the report written for the Regional Council about a six-week German Marshall Foundation Fellowship to Pittsburgh and Chicago in 1987, nine features of their local development process were identified by the author as "worthy of study and replication" -

- more pluralistic sources of Local Funding (the scale of corporate and tax-free grants to Foundations)
- networking of people from the private and public sectors (eg Community Leadership scheme)
- scanning for strategic work : the active, participative role played by the private sector in the process of setting the regional agenda in places like Chicago was impressive
- coaching : the way community economic development skills were encouraged
- marketing : of voluntary organisations
- affirming : affirmative action in Chicago Council was handled very systematically in areas such as hiring and sub-contracting
- negotiating : the flexibility of the planning system allowed local councils to strike deals with developers to the direct advantage of poorer areas.
- persevering : the realism about timescale of change
- parcelling into manageable units of action: the British mentality seemed to prefer administrative neatness to permit a "coordinated" approach. American "messiness" seemed to produce more dynamism.

Clearly

Four years later, with the perspective often brought by a departure from the work on which one has focussed for so long, I summed up the 15-year experience for the OECD's urban committee in five rather more bitter exhortations -

"(a) RESOURCE the Priority Programmes with "MAINLINE" money

"Where programmes are aimed at the short-run, are characterised by uncertain funding, high staff turnover and poor planning and organisation, it will be difficult for people to accept or benefit from them."(Miller)

Urban Aid - although essential for the strategy - had its downsides. Although initiatives often came from Departmental officials they were middle level - and very much negotiated at the community level - ie with considerable input from residents, politicians and other professionals.

Senior departmental management did not feel a strong sense of ownership - and the subsequent project management generally had its problems. Not least because of

- the relative lack of experience of those appointed
- the complex community management arrangements of the projects
- the uncertainty about funding once the 5 year point was reached.

Processing the bids for Urban Aid money also tended to absorb the time of senior policy-makers - to the exclusion of their serious consideration of the changes needed in the operation and policies at the heart of the various Departments.

It was only in the last few years of the Region that a new budgetary system was introduced - the Strategic Management of Resources - which allowed this work to be done.

"(b) SUPPORT CHANGE AGENTS !

No self-respecting private company would introduce new products/systems without massive training. The more progressive companies will pull in business schools and even set up, with their support, a teaching company.

The time was overdue for such an approach from the public sector; for a new type of civic "entrepreneur". And certainly the reaction of much of the public sector in the 1980s to the various threats they faced - not least privatisation - has been to put new life into the public sector. Not for nothing does America now talk about "reinventing government".

Strathclyde Regional Council recognised the need to help staff and community activists develop the skills appropriate to the new tasks and challenges they were being confronted with in community regeneration processes.

Very little however was done - although thousands of millions of pounds were being spent by central governments in this period on a variety of work-related training experiments. And subsequently in the preparation for privatisation flotations.

We do appear to be amateurs in many respects compared with the United States as far as **managing change** is concerned.

Many organisations exist there for training and supporting these, for example, in community economic development corporations. The Development Training Institute at Baltimore, for example, which - for major community investment projects - arranges a monthly three-way review session, of themselves, a local consultant and the local organisation when detailed planning for the forthcoming month or so is done. A quasi-contract is then agreed -after which the local consultant checks and assists on progress (Young 1988).

At least 3 levels of training need can be identified for urban development - political, managerial and community. And the most neglected are the first and last, particularly the last.

One of our reviews of Strathclyde Region's urban strategy decided there was a need to give more support to the development of local leaders - for example by giving them opportunities to travel to see successful projects elsewhere - not only in the UK but in Europe. This had multiple aims - to give the local leaders new ideas, to recharge their batteries, to make them realise their struggle was not a solitary one: to help develop links, as Marlyn Fergusson has put it, with other "con-spirators" (literally - "those you breathe with").

Such a venture by an elected agency required some risk-taking - sending community activists not only to places like Belfast but to Barcelona ! - and one too many was apparently taken with the result that it was quickly killed off ! It might have been better to have established an arms-length fellowship but this would have taken interminable time and led quickly to a institutionalisation which would have killed the idea just as effectively. The Prince-of-Wales sponsored Community Architecture Award of 1989 was an opportunity to

start a small national dialogue about the training needs of community leaders (Gibson). Typically for a British initiative, however, the resources it was given was goodwill rather than cash and soon petered out.

"(c) Set DETAILED TARGETS for Departments to ensure they understand the implications of the strategy for them

Information is power. It is only the last few years that information has been collected systematically about how the local authority resources in areas of priority treatment relate to the **needs**. Without such sort of information - and a continual monitoring of the effectiveness of action taken in relation to clear targets - any strategy is just pious good intentions.

"(d) Establish FREESTANDING Community Development Agencies

The combination of social, economic, environmental and housing objectives involved in regeneration requires local, free-standing agencies who operate from a position of equality and self-confidence: and can, as a result, challenge the narrowness and inertia which, sadly, tends to characterise normal public bureaucracies.

"(e) Be realistic about the TIME-SPAN the change will need !

The task we are engaged on is the transformation into a post-industrial world: the changes in skills and behaviour - and in organisational forms - cannot be achieved in less than 20-30 years. Hence the need for a learning strategy."

All these, however, were the musings of an individual - one admittedly in an influential position but operating in a culture and system unsympathetic to such perspectives.

12. REINVENTING THE BROKEN WHEEL

Two decades earlier, a brief paper entitled "Reinventing the Broken Wheel" - Lesson-Drawing in Social Policy" - which drew from experience of a variety of Government programmes supposedly aimed at dealing with poverty and inequality - had said it all more simply and eloquently (Miller). The points should be pinned up in every Cabinet Office throughout the world - viz

- How a programme starts is important: what it promises, the expectations that it raises. The poor are frequently both suspicious and deceivable - expectations can rise very rapidly and collapse suddenly.
- Social Policy cannot substitute for economic policy and actions. Many poverty programmes have attempted to avoid this issue - only to stumble late on this finding.
- General economic expansion may not present jobs for the low trained, particularly when dual or segmented labour markets exist. They made need additional help to get and keep jobs or to raise their inadequate incomes.
- If social policies do not control major resources in their areas - eg financing in housing - they will be severely limited in what they do
- The task is not to integrate the poor and unequal into existing structures eg schools. These structures have gross inadequacies and defects. They must be changed as well - frequently also benefiting the non-poor.
- Programmes should be aware of this danger of building up dependencies - and look for ways in which their users can assume responsibility for the programme and themselves.
- One-shot, one-time programmes will have limited affects. While the complaint is often made that the poor are handicapped by a short time-span, they who are more frequently handicapped by the short tomespan of public policies as policy attention wanders from one issue to another.
- Organisation is fateful. How programmes are organised affects what happens to those who deal with them. Where programmes are aimed at the short-run, have uncertain funding, high staff turnover and poor planning and organisation, it will be difficult for people to accept or benefit from them.
- People live in communities, in groups, in families. Programmes cannot successfully help them if they are treated as atomistic individuals.
- Ambitious, conflicting programme goals and activities lead to trouble. Most programmes have this problem.
- A programme is what it does; not what it would like to do or was established to do. The distribution of funds and staff time are good indicators of what an organisation actually does rather than what it believes it does or tries to convince others that it does

Local authority services were designed to deal with individuals - pupils, clients, miscreants - and do not have the perspectives, mechanisms or policies to deal with community malfunctioning. For that, structures are needed which have a "neighbourhood-focus" and "problem focus".

The Strathclyde strategy did in fact develop them - in the neighbourhood structures which allowed officers, residents and councillors to take a comprehensive view of the needs of their area and the operation of local services: and in the member-officer groups.

But we did not follow through the logic - and reduce the role of committee system which sustains so much of the policy perversities. That would have required a battle royal! After all, it took another decade before the issue of an alternative to the Committee system came on the national agenda - to be fiercely resisted by local authorities (Midwinter A). Even now, the furthest they seem to go in their thinking is the "Cabinet system" - which has been offered as an option several times over the past 30 years (Wheatley; Stewart) but never, until now, considered worthy of even debate. The system of directly elected mayors - which serves other countries well - still does not command favour. One of the great marketing tricks of the English is to have persuaded the world of our long traditions of democracy. The truth is that our forefathers so mistrusted the dangers of unacceptable lay voices controlling the council chambers that they invented a range of traditions such as the one creating a system of dual professional and political leadership in local government. As the powers of local government increased in the post-war period - this became a recipe for confusion and irresponsibility. Little wonder that it was called "The Headless State" (Regan). Chairmen of Committees have been able to blame Directors; and Directors, Chairmen.

It is now interesting to see some local authorities now organised on the basis that was beginning to appear obvious to some of us in the late 1970s. The more progressive councils now have three different political structures -

- One for **thinking** - ie across traditional boundaries of hierarchy, department and agency (our Member-Officer review groups)
- One for ensuring that it is performing its **legal requirements** (the traditional committee system)
- One for acting in certain fields with other agencies to **achieve agreed results** (Joint Ventures for geographical areas or issues)

But such aspirations for community solutions are always stymied by the wider structure of national public services and budgetary systems and it is to this key issue that I now turn.

13. TRANSFORMING GOVERNMENT SYSTEMS

<p>Six deadly sins in public administration</p> <ul style="list-style-type: none"> • giving lofty (unspecified) objectives without clear targets which could be measured, appraised and judged • doing several things at once without establishing, and sticking to, priorities • believing that "fat is beautiful" ie that abundance not competence gets things done • being dogmatic, not experimental • failing to learn from experience • assuming immortality and being unwilling to abandon pointless programmes. <p>Drucker (1980)</p>	P
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Government has generally been a graveyard for reformers: some of the reasons for this being that -

- the electoral cycle encourages short-term thinking : dealing with the crises of the moment
- the machinery of government consists of a powerful set of "baronies" (Ministries/Departments), each with their own (and client) interests to protect or favour
- the permanent experts have advantages of status, security, professional networks and time which effectively give them more power than politicians.
- politicians need to build and maintain coalitions of support : and not give hostages to fortune. They therefore prefer to keep their options open and use the language of rhetoric rather than precision!
- a Government is a collection of individually ambitious politicians whose career path demands making friends and clients rather than the upsetting of established interests which any real reform demands
- it is still not easy to define the "products" or measures of performance for government against which progress (or lack of it) can be tested.
- governments can always blame other people for "failure" : and distract the public with new games and

faces : hardly the best climate for strategy work

- the democratic rhetoric of accountability makes it difficult for the politician to resist interfering with decisions they have supposedly delegated.

These forces were so powerful that, by the 1970s, writers on policy analysis had almost given up on the possibility of government systems being able to effect coherent change - in the absence of national emergencies. When the focus of government reform is social justice, the constraints are even greater: "blaming the victim" (Ryan) responses can become evident. My argument so far in this paper is that Strathclyde Region enjoyed in its first decade positive preconditions for effective change: and that it rose to this challenge. In its second decade, conditions became increasingly difficult - although it sustained its commitment to the original principles and tried to build on the early work.

At no stage did we find ourselves constrained by any attack on our redistributive mission! We were, however, constrained by the machinery of local government. And, from 1988, by the increasing encroachment of central government.

It was always clear that our pursuit of social justice required a balance between strategic work and local initiatives. And that the latter was easier than the former. Reference has already been made to the 1982 review which had clearly identified the operation of the departmental system of local government as a major constraint of the strategy.

An internal Labour Group memo of 1988 indicated that the issue had not been grasped -

"Creative work has had to fight all the way against departmental rigidities. It is, after all, there that the perceived administrative and political power is seen to rest. The trappings of corporate power - the Policy Committees and Chief Executive's Department - have not fundamentally affected the agendas of these departments. The question must be posed: how well served are we by the departmental system which reflects one particular set of professional perceptions, is organised hierarchically, controls the committee agenda and makes joint work at a local level so difficult? "

- each professional discipline used by Government (Education : Social Work : Architect : Culture : Engineer etc) has been trained to a high level to see the world a particular way, with shared assumptions
- they are then put in segmented structures (Departments : Ministries) which confirm their superior understanding and set their perspective (and the resources they are given) in competition with other professions who have competing assumptions about what makes people tick
- they "capture" the politicians who serve on their "overseeing" Committees - by virtue of their technical expertise, information networks and job security
- they have strong representation on the local labour parties to whom local government leaders are responsible.
- when the world behaves in ways which seem to contradict the assumptions of their model, they have used a typology of arguments which defend them from the new reality : eg denial, blaming the victim, demanding more resources, new structures etc

The conventional wisdom of the mid 1970s had told us we needed new corporate systems to help bring more sense to such empires (the more progressive versions of this understood that this was done on more of a consultancy basis - rather than by the new corporate departments actually producing new proposals).

Strathclyde Region had been well served in the first decade - the staff of the Chief Executive Department had been a crucial element in the continued dynamism of the strategy. But a traditional administrative style returned in the mid 1980s - which regarded officers not politicians as the source of legitimacy. This was partly the individual style of the new Chief Executive: but it was very much in tune with Thatcher's determination to kill local political initiatives. And flagship projects - rather than challenging Departmental practice - became the order of the day. This meant that Social Strategy officers therefore did not enjoy support to allow them to operate as a powerhouse for radical ideas, helping policy innovators, whether political or managerial, identify ways, for example, of improving educational performance (Smart).

The logic of our work - and critiques - pointed in the same direction as the Conservative approach to restructuring the machinery of government - viz

- ensure that Departments are structured on the basis of tasks and NOT professional skills.

- use professional skills as inputs only, whether to brainstorming, design or delivery.
- develop management skills and approaches (eg challenge through benchmarking)

Margaret Thatcher had the same view as some of us in the Region about the ineffectiveness and inertia of much of public bureaucracy. We thought it could and should be reformed from within - by a combination of vision, rationality and opportunism. She thought otherwise - and chose to introduce new agencies and procedures calculated to subject it to competitive forces. And then to force it into radical decentralisation of its educational and social budgets.

Given the Conservative Government's unremitting hostility to local government - and the nature and scale of the changes forced on it without the normal consultation - it is hardly surprising that people in local government find it difficult to be positive about anything the Conservative Government did. However the inertia and indifference we met in our strategy - whether in housing departments, in education, from the health services or universities - were basically changed because of the Government's mixed strategy of starving these agencies of resources and establishing new Agencies (eg in the Training and Housing fields) which were given the resources for which the other agencies had to negotiate - requiring a more consumer-sympathetic approach in their work. The question is whether only such crude, negative mechanisms are available

For some positive answers I would urge people to read the booklet "Holistic Government" by Perri 6. He looks at the various devices which have been used in the attempt to achieve "joined-up action" eg

- Interdepartmental working parties
- Multi-agency initiatives
- Merging departments
- Joint production of services
- Restricting agencies' ability to pass on costs
- Case managers
- Information management and "customer interface integration"
- Holistic budgeting and purchasing (eg the Single Regeneration Budget)

He finds a place for all of these - but suggests that "the key to real progress is the integration of budgets and information; and the organisation of budgets around outcomes and purposes not functions or activities" (p44)

Hood has also reminded us that these by no means exhaust the repertoire - and that such mechanisms as are indeed under some circumstances far more powerful.

14. CONCLUSION

So here I am, in the middle way, having had twenty years -
 Trying to learn to use words, and every attempt
 Is a wholly new start, and a different kind of failure
 Because one has only learnt to get the better of words
And so each venture
 Is a new beginning, a raid on the inarticulate.....
 And what there is to conquer
 By strength and submission, has already been discovered
 Once or twice, or several times, by men whom one cannot hope
 To emulate - but there is no competition -
 There is only the fight to recover what has been lost
 And found and lost again and again; and now under conditions
 That seem unpropitious. But perhaps neither gain nor loss
 For us, there is only the trying. The rest is not our business.

TS Eliot (Four Quartets)

Strathclyde Region broke new political ground in 1975 in firmly placing "multiple deprivation" or "social exclusion" at the heart of its priorities. And the first strategy document on the subject in 1975 clearly stated three points which were to be crucial over the next two decades

- as there were "no experts in multiple deprivation", the issue required flexibility, humility and integration ("joined-up thinking" it's now called);

- local people needed a stronger voice
- results should be measured in terms of 20-25 years.

And so here we are - the twenty-so years are up. And what has been achieved? And what learned?

- Clearly the social conditions of "exclusion" are more extensive – but improvements were always understood to need a positive combination of local and national policies and resources.
- In the absence of national commitment, it was local councils who reached out in the 1980s and 1990s to try to “include” and to experiment with new ways of bringing together the required skills and services.
- The Social Inclusion strategy of 1999 which has come from The Scottish Office under New Labour clearly offers new opportunities - not least because it clearly draws on the experience of the local initiatives of the past twenty years
- although it is puzzling and worrying that there were no local elected politicians on the working group which produced it. This raises questions about the role and commitment of local government in the next stage - and indeed about the whole **process** of social change.
- Not least because yet another comprehensive local government reorganisation swept the Region away in 1996 and the financial framework of the new single-tier Districts which replaced it in the West quickly led to the sacking of many community workers
- political energies and excitement will now be concentrating on the operations of the Scottish Parliament elected in May 1999
- although such a "new beginning" - with the new strategy - offer two of the positive pre-conditions identified in this paper for robust and coherent policy-making, many of the other preconditions are missing.
- The content of policies is one thing - the will and systems to effect change something else whose absence dooms good policies to rhetoric and oblivion.
-

Too many people in the past assumed that the improvement of urban conditions was just a question of collective resources.

Now we think we know better. We seem now to understand, for example, that understanding and commitment by policy-makers are crucial ingredients of progress in social inclusion - which means developing a sense of policy ownership at a local level.

Obviously some people (specialists) have learned from all the programmes of the past few decades relating to "poverty"; "deprivation"; "marginalisation"; "exclusion" (Feiffer had a cartoon on this in the 1970s suggesting that the one thing achieved is a richer vocabulary).

Many books can now be read about the programmes. The question is who reads them - with what results. particularly the politicians make of it all. Those of you who have seen Robin Williams' film "Good Will Hunting" will remember his powerful diatribe against the book learning of the young genius! Where, he was asking, was the insight and passion which comes from real experience?

There are always seem to be new agencies, new vocabularies, new people, - and new beginnings (such as a Scottish parliament) - to make us believe that we are the first to tackle a problem. And which make for collective amnesia.

The question I am left wrestling with is whether we are indeed, as Eliot wrote poetically and SM Miller more prosaically, doomed to a continuous cycle of rediscovery - or whether we can construct and maintain political and democratic processes which properly connect the past, present and future.

Political learning requires such a connection. And that, in turn, requires new mechanisms of decision-making - and a more radical form of partnership than that touted in all the PR literature. One based on a redefined relationships between people, professionals and politicians.

As an ex-politician, I am left despairing of the poverty of that transfer and learning.

1 May 1999
Bucharest

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TEXT NOT USED

"Turnaround" and "transformation" have become part of the breathless 1990s' lexicon of management and political discourse. The new heroes are the leaders of companies, schools and agencies who have taken systems which were in apparent terminal decline and resurrected or transformed them.

Although the neo-liberal climate of the past decade has been celebrating and honouring the market approach, the first wave of dramatic "turnarounds" in the 1980s were in fact generally **public-sector led** - namely those older industrial cities in Northern parts of both America and Europe whose leadership skilfully constructed new coalitions of the public and private sector for the purpose of "regeneration" (Barnekov and Boyle : Ferman : Parkinson). The strategy consisted of a combination of demolition and transformation in city centres of the decaying heritage of the industrial era - warehouses, port facilities, housing - to create modern commercial and residential facilities.

One early such "turnaround" was Glasgow. By the late 1960s, people were losing hope for it: the employment in traditional manufacturing industry which had sustained its population of 700,000 during the century - however insecurely - was fast ebbing from the City to beyond its boundaries to New Towns established in the 1950s and 1960s on nearby "greensites" (Lever/Moore). Its commercial heart was dying: and its vast housing estates were deteriorating and their landowner, the City Council, had long lost everyone's confidence that it had the capacity (let alone the resources) to manage them. But it was, in the title of a book written about the period, "The City that Refused to Die" (Keating). Twenty years later it was being seen as one of the early examples of successful urban regeneration in Europe (Chessire) - measured in terms of

- success in the 1980s in attracting substantial private capital in the commercial, cultural and tourist industries
- the vibrancy of the life in the once-dead centre.
- the community spirit in the housing estates

Glasgow's reign in 1990 as "European City of Culture" was an appropriate symbol of the "turnaround" which seemed then to have been achieved. Given the earlier judgements being made about the local capacities, the reasons for the dramatic change - and the lessons for others facing similar combinations of decline and loss of confidence - attracted considerable interest in the late 1980s.

And the "formula" for Glasgow has now become part of the conventional wisdom about "partnership" (Parkinson 1990)

- the various public authorities (local, regional and national) co-operating to adopt a new approach to turn derelict and rundown urban land and housing into attractive modern facilities : in which the Scottish Development Agency played an important catalytic role.

- the construction of one of Britain's first genuine local "Public-Private" Partnerships to define an investment strategy

- highly effective national and international marketing : not just of the city facilities but of the dynamism and co-operation which had made possible the transformation.

Two critical questions which arise immediately from such a formula for successful urban transformation are

- are there specific pre-conditions which make effective inter-sectoral co-operation easier to achieve?
- exactly which organisational and policy mechanisms are appropriate to build and sustain a climate of creative co-operation to define and tackle urban problems in realistic ways ?

It is a defining feature of areas with older industries to have an organisational culture which is hierarchic and defensive. And this is reflected in the operations of political parties and public administration in the area. Hardly the best of conditions for co-operation and initiative! Just how important such "cultures" can be is clearly seen in a comparison with Liverpool - an English City of similar industrial and social structure, traditions, size and even more generous central government funding than Glasgow's. During that same period when Glasgow moved ahead, Liverpool - with confrontationist, rather than pragmatic, local civic leadership: and a high level of central government funding - continued its apparently terminal conflict and decline (Carmichael). Only the European Union's new Regional policy has apparently been able recently to offer some hope there (Lloyd and Meehan).

A sense of crisis can, of course, generate new attitudes: but a key issue is the organisational shape and ownership of any venture into which the leaders of the various agencies are brought together, with such attitude changes, to deal with the crisis. A poorly designed structure can undermine the best of ideas:

although even a well-crafted initiative can fail if it is too closely identified with - and controlled by - a single Agency.

One element in the success of such areas was the considerable entrepreneurial skills of city officials in the 1980s in first recognising that cities and regions were in competition with one another: and then organising and sustaining campaigns to attract investments, particularly in the growing service sector. And the more successful were those who had first checked they had something relevant to market!

There are, however, two dangers when governments run "image" campaigns -

- *it can breed complacency: that people believe their own propaganda: and begin to rest on their laurels.*
- *The second danger is even insidious, that the leaders then don't want to hear the "bad news".*

And, in many of the quoted successes of the 1980s, such syndromes can in fact be recognised. During the 1990s the atmosphere became less "celebrationist". Hard realities too long ignored had to be faced up to - ie that the benefits of the new developments rarely "trickle down" to those at the bottom of the pile; the numbers of those being "evicted from the formal economy" in our cities is in fact steadily increasing (Sherman and Judkins 1995).

Chapter Six

MANAGING THE CHANGE PROCESS - what can the public sector learn from the literature?

"Get used to thinking that there is nothing Nature loves so well as to change existing forms and make new ones like them"

Marcus Aurelius;

"Meditations"

"Carefully reasoned solutions are often resisted because of the inherent dislike most of us have for recommendations which are created and offered by others"

Hutchinson; "Vitality and

Renewal"

1. INTRODUCTION

The nature and scale of global changes in the last 20 years has made people throughout the world aware that - however well the structures and policies of particular organisations may have worked in the past - they may no longer be the most appropriate for the new and emerging environment/conditions in which the organisation will be working. And that any agency which assumes it can stand still is soon overwhelmed.

"Managing Change" has - as a result - become in the last decade almost a new discipline in the management literature, with a host of books which try to give detailed recipes to achieve a succulent and effective new future.

"Eight Needed Elements in Successful Change"

- pressure for change
- a clear and shared vision
- effective liaison and trust
- the will and power to act
- capable people and sufficient resources
- suitable rewards and accountabilities
- actionable first steps
- capacity to learn and adapt

Eccles

Most of the books recognise that organisations differ enormously - depending on such things as their product, the expertise of the staff and the power structure.

Handy, for example, has given us the most elegant classification. Handy's model is based on earlier work by Harrison.⁷⁶ Handy's model classifies culture into four types each represented by a figure in Greek mythology: Zeusian power cultures; Apollonian role cultures; Athenian task cultures; and Dionysian person cultures.

Zeus was the leader of the Greek gods. All power emanated from him. Power cultures have a single source from which power radiates. There are few bureaucratic rules and procedures. Control is maintained via patronage through the advancement of individuals who use interpersonal power to get things done. The problem with this type of culture is that it may be difficult to find such people in public services. Their attributes can be hard to develop through conventional training.

Control is maintained via patronage through the advancement of individuals who use interpersonal power to get things done. The problem with this type of culture is that it may be difficult to find such people in public services. Their attributes can be hard to develop through conventional training. Control through interpersonal power used to be hard to exercise at a distance, but improvements in transport and communications technology are favouring its increased use in many parts of the world.

Apollo was the Greek God of reason. Role cultures are organized through rational rules and procedures. Specialist functions such as finance, personnel and marketing are likened to the pillars of a temple. Each function is controlled by a small group of senior executives. Continuity and stability are highly valued. The main problem with role cultures is that they may be slow to react to a need for change. Ambitious employees may be frustrated by the formality of promotion procedures.

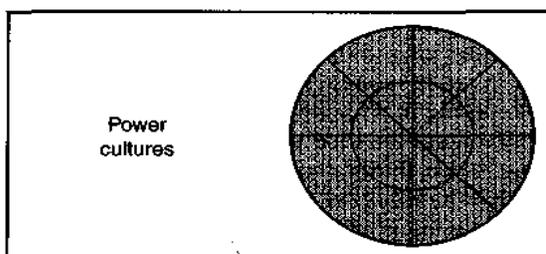


Figure 3.16 Zeusian power cultures

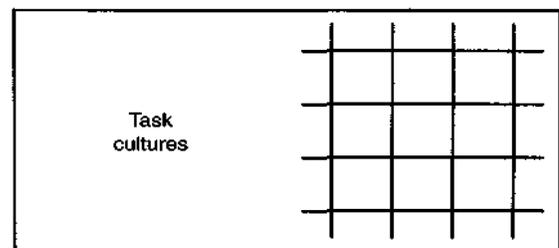


Figure 3.18 Athenian task cultures

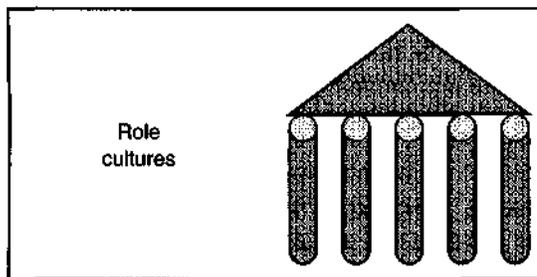


Figure 3.17 Apollonian role cultures

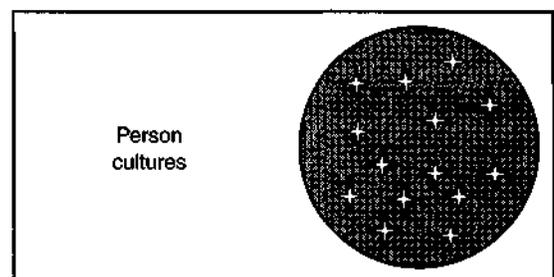


Figure 3.19 Dionysian person cultures

Athena was the Greek goddess of wisdom. It is not clear why she was chosen to symbolize task cultures. In task cultures, project teams with specific tasks are the norm. Team working, innovation, flexibility and individual autonomy are valued. Ability rather than status or position is respected. These cultures are most suited to highly competitive environments that require quick responses.

Dionysus was a Greek god known for his self-interest. Person cultures develop when groups of individuals decide to work together for their own benefit. For example, solicitors and doctors. The workload is shared but individuals have a high degree of autonomy.

The change process is clearly easier in the latter 2 types (represented by engineering and legal consultancies respectively), whose focus on the customer encourages creative endeavour amongst their highly skilled staff.

Those in charge of Zeus and Apollo organisations face, however, particular problems in rising to the challenge of change -

- the power structure is hierarchic : some key "bosses" have to be persuaded. The others don't feel that change is their responsibility
- those at the top feel overwhelmed by crises : and think they cannot afford the time involved in preparing and implementing systematic change
- they are often hostile to anything that smacks of "losing control"
- when eventually persuaded of the need for change, they will be inclined to introduce it in an autocratic way.

Public administration poses even more problems for the reformer : eg

- the electoral cycle encourages short-term thinking
- the machinery of government consists of a powerful set of "baronies" (Ministries/Departments), each with their particular perceptions of the world - each with their own (and client) interests to protect or favour.
- inter-ministerial or inter-departmental mechanisms rarely had the strength to help develop new perspectives or cooperative behaviour
- politicians need to build and maintain coalitions of support : and not give hostages to fortune. They therefore prefer to keep their options open and use the language of rhetoric rather than precision
- a Government is a collection of individually ambitious politicians whose career path demands making friends and clients rather than the upsetting of established interests which any real reform demands
- it is still not easy to define the "products" or measures of performance for government against which progress (or lack of it) can be tested : and failures can always be blamed on international forces or the previous government.
- the democratic rhetoric of accountability makes it difficult for the politician to resist interfering with decisions they have supposedly delegated.
- private managers constantly striving to expand demand ; public managers often have to suppress it

These forces were so powerful that, by the 1970s, writers on policy analysis had almost given up on the possibility of government systems being able to introduce policy changes which actually made a difference to ordinary people. A mixture of "segmentalism" (Kanter), Corporatism and lobbying seemed to condemn the government process to "gridlock" and irrelevance. And to deny governments many of the preconditions for effective change as set out in such lists as Eccles and Kanter give us.

2. RESHAPING PUBLIC SYSTEMS

But, as we saw in a previous chapter, the atmosphere in the 1990s has dramatically changed.

Management practice (and practitioners) from the private sector is now supplanting the traditional approach - as large public organisations have been broken into smaller and largely self-managing units.

- contracting out and hiving off replace the assumption about agency self-sufficiency
- direct hierarchical supervision has been replaced by contractual relationships (collective and individual)

- the loosening of recruitment, grading and pay rigidities have become a prime objective in obtaining greater productivity
- uniform universal provision gives way to user charges and choice among competing providers

Everywhere there is now talk of "reinventing" government - or "reengineering" public services.

One of the "bibles" expresses the new creed in the following terms -

- Catalytic Government : Steering rather than rowing
- Community-owned Government : Empowering rather than serving
- Competitive Government : Injecting it into service delivery
- Mission-driven Government : Transforming Rule-Driven Organisations
- Results-Oriented Government : Funding Outcomes, not Inputs
- Customer-Driven Government : meeting their needs, Not the Bureaucracy
- Enterprising Government : Earning rather than Spending
- Anticipatory Government : Prevention Rather Than Cure
- Decentralised Government : from Hierarchy to Participation and Teamwork
- Market-Orientated Government : Levering Change through the Market

But, interestingly, this literature does not look at HOW such changes are to be introduced. It is rather the expression of a direction or philosophy; and seems to rely on moral exhortation.

In the American context - and with subsequent "Blue-Ribbon" Commissions headed by the Vice-President - this can, of course, be a very effective change mechanism.

And such visible and sustained high-level understanding and support is clearly an important component of an effective strategy for public sector reform in any context. The question is whether such visible and sustained support is, per se, sufficient as a change strategy.

European societies have been more government-oriented than the USA structure - and have, as we have already seen, been trying in the past 15 years or so to increase the effectiveness of public administration by a dramatic shift from Public Administration to Public Management. Recent OECD publications ("Responsive Government" 1996: "Governance in Transition" 1995 : Country Public Management Profiles 1993) are very useful summaries of the new developments and the thinking behind them.

However, once again, these documents tend to ignore the dynamics of change, assuming that the driving force of change will be rational argument: political driving power - and no small measure of the "bandwagon" effect!

And they show little sensitivity to the different cultural contexts in which such change occurs - something which recent management literature is very much stressing (for the cultural dimension of organisational change see Bate: Hampden-Turner: Lessem: Trompenaars)

The examples we have looked at so far in this book have clearly demonstrated that major organisational changes have required a high degree of political leadership - defined as vision, skills and detailed commitment.

The British Prime Minister and her advisers were determined in the 1980s to transform the operation of the public sector; but did not have a detailed programme for this - only a determination to apply certain business principles to it.

Intent and principles, however, are rarely enough in themselves to move an immovable object!

In a previous chapter I argued that the major shake-up which took place in the shape and philosophy of public services in Britain was due to a combination of personal qualities (obstinacy/courage, staying power) and constitutional features of the British context.

Different conditions, however, such as the Scandinavian deal with change differently. Where traditions of co-determination exist "the charmed circle of change managers is widened to include workers, supervisors, junior and middle managers. Planned change there requires careful consultation with a range of staff and does not assume that the onus of change lies solely with management" (Wilson). The time this takes -as in Japan - is considered as a necessary investment in trust and understanding and not as a waste of senior management's valuable time.

All this does suggest a major reconsideration of conventional assumptions about policy change (Mintzberg). The prerequisites of effective policy innovation used to be seen as clarity of purpose - and consensus. And then appropriate structures and skills of implementation.

Now effective policy innovation is perhaps better understood in terms of the transformation of general policy concerns into significant change via -

- strong leadership
- driven by a mission which has legitimising principles which strike a chord
- commitment of strategically-placed staff
- demonstration projects
- networking, communications and "conversion" skills

3. THE PROCESS of Administrative Reform

Although management fashions are always dangerous - very often simply giving autocrats new rhetoric to clothe their old habits - there is no doubt that much of the literature is very helpful to those who have a genuine interest in achieving effective change. Andrew Leigh's advice on "Effective Change" captures nicely some of the key issues and stages of change

- **"Sense the Needs !** : don't just use the hard data. Impressions and intuition count when we are looking at social trends!
- **Build Awareness !** : network for change!
- **Broaden Support !** : adopting a new strategic direction challenges the status quo and many existing vested interests. There may be whole layers of people who find it easier to say no than yes. The change has to be worthwhile for them too!
- **Create Commitments !** : it is essential to create a "critical mass" for change : to encourage (rather than stifle) the various individuals who have the energy and vision for a new direction.
- **Focus Developments !** - as strategic goals crystallise, they must be channelled into specific proposals. These should emerge from an agreed system of criteria for project selection.
- **Seek Accountability !** - people have to be made accountable for specific results. It

must be clear who does what, by when - and with what resources.

- **Maintain the Dynamic !** - Many strategic change efforts, after starting well, fizzle out. The art of strategic change is to develop ways to maintain the momentum over a prolonged period. Relying on many people to sustain the change effort is better than depending on a few".

Rosabeth **Kanter** is one of the most famous writers **on the subject and has suggested "Ten Commandments for Executing Change"**

1. Analyse the organisation - and its need for change
2. Create a shared vision and common direction
3. Separate from the past
4. Create a Sense of Urgency
5. Support a Strong Leader
6. Line up Political Support
7. Craft an Implementation Plan
8. Develop Enabling Structures
9. Communicate, Involve People and be Honest
10. Reinforce and Institutionalise the Change

I would suggest in conclusion that those taking the responsibility for mapping out a change strategy should start with a consideration of the following questions (and ensure that those subsequently involved in the process are aware of the answers) -

WHY CHANGE ?

Major change generally requires a "Shock" (actual or threatened): this is generally external (eg access to the European Union). Is this generally understood in the organisation?

WHERE ARE WE NOW?

WHERE SHOULD WE BE GOING?

- With what mechanisms/policies etc?

HOW DO WE GET THERE?

- Involving whom?
- In what ways?
- Over what period of time?
- At what costs?

EXACTLY WHAT SHOULD WHO BE DOING - HOW?

HOW DO WE KNOW IF WE'RE MAKING PROGRESS?

AND WHAT DO WE DO TO GET BACK ON TRACK?

4. WHAT DOES GOVERNMENT NEED TO LEARN?

Government and public administration do seem to raise different issues about the legitimate source of change and new ideas. Does democracy not mean that it is citizens -

and their political representatives - who have the right to signal the need for, and direction of, change?

And surely civil servants and officials are the servants of Government?

If so, what are the implications of this for managing change in the public sector?

How many of the new insights into managing effective change can actually be used by people in the public sector to achieve significant change? Are we still not dependent on the will and skills of a few visionary politicians for that?

Certainly the roles of managers and politicians are different depending on the level of the change: the literature generally distinguishes three levels -

- **Expanded reproduction** : doing more of the same
- **evolutionary transition** : making changes within the existing structures
- **revolutionary transformation** : making fundamental changes to the structure of the organisation.

The history of administrative reform in the public sector is one of a move from evolutionary to revolutionary - as the hopes of the former approach have been disappointed.

The ideology, attention-span and life-cycle of Ministers and other political leaders, cause them generally to adopt what might be called a "blunderbuss" approach to change : that is they assume that change is achieved by a mixture of the following approaches -

- existing programmes being given more money
- policy change : issuing new policy guidelines - ending previous policies
- creating new agencies

And once such resources, guidelines or agencies have been set running politicians will move on to the other issues that are queuing up for their attention. Of course, they will wish some sort of guarantee that the actual implementation mechanisms selected will actually enable the resources and structures to achieve the new policy targets: but that is often seen as an implementation issue.

And yet it is, so often, on the implementation that government change programmes are disappointed. "The problem with all reform strategies is that doing something differently does not guarantee any better results. Indeed, reforms may not only turn out to be little improvement on the status quo, they may be detrimental. They may result in a big fuss over nothing because the whole process of reform itself is so vulnerable that most reforms rarely come to anything. The fault is not in the conception but in the doing" (Caiden).

We touched on one of the most profound reasons for this in the first chapter - new policies are generally trying to alter the behaviour of people but are designed and implemented by a structure (Departments or Ministries) which influence only a small part of the relevant behaviour patterns.

Hence the trend in some countries to experiment with more local systems of governance which might help a range of local leaders develop the appropriate mix of resources, legitimacy and creativity actually to change things - and achieve. Managing change in the public sector then becomes a question of having the strategic vision to set such trends in motion - learn from them and ensure the necessary adjustments are made in the light of a proper understanding of the changes in the global environment.

The dramatic changes which have so far taken place are therefore simply a first stage - of clearing the decks to give the centre the time and space to develop its real role.

As indicated in the opening paragraph, many "cook-books" have recently appeared on the market, written to help those undertaking or involved in change learn from the experience of others. Many of them build on more than two decades of work of organisational development specialists (many of whom were psychiatrists - see Harrison).

Four particular insights are worth emphasising -

4.1 **CHANGE AS LOSS**

Change arouses very real fears: in a very real sense the process is one of loss or fear of loss - of self-identity, status, expertise, the familiar, old colleagues. People have to be given a chance to "let go". They will certainly experience the classic stages of denial and depression before the new reality is accepted. This has to be planned for.

4.2 **ORGANISATIONAL LIFE CYCLE**

the different stages of an organisation's life-cycle : that change is needed often at precisely the time when things seem to be going well !

4.3

the different roles which are needed in effective teamwork and organisational change.

4.4 HORSES FOR COURSES!

4.5 Kurt Lewin : and "Force-Field" analysis

In the early 1950s Kurt **Lewin** developed a useful approach to change which forms the basis of a lot of subsequent thinking. He argued that organisations exist in a state of equilibrium which is the result of opposing forces acting upon the organisation and its individuals : these are forces for change ("Driving" forces) and forces against change ("Restraining" forces : or "resistance").

In order to promote the right conditions for change, individuals have to identify these forces : then to "unfreeze" the status quo : principally by removing the restraining forces.

UNFREEZE

- current ways unsatisfactory

CHANGE

- safe conditions in which to experiment
- opportunities for training
- support and encouragement

REFREEZE

- reward
- appraisal
- training

5. **READINESS FOR CHANGE**

How does one know if the organisation is ready for change ?

Clarke uses a formulae - Change equals (A B D) X to emphasise 4 preconditions of successful change, ie that

- people have to be dissatisfied with the status quo (A)

- there has to be an "acceptable" alternative (B)
- which is "feasible" (D)
- these forces need to outweigh the total costs (including psychic) of the change (X).

In a recent book, **Eccles** has listed some of the impediments to change : he suggest that, when there is a climate of

- **failure** (why bother to change, it doesn't help)
 - **entrenched interests** (we'll only change if it suits us)
 - **myopia** (we can't see any reason to change)
 - **self-deception** (the present system is working well)
 - **immobility** (it's comfortable to stay as we are)
 - **impasse** (there are opposing views)
 - **weariness** (we've seen it all before)
 - **inertia** (the task is too great)
 - **confusion** (we can't decide what to do)
 - **timidity** (we just can't wind ourselves up to act)
 - **disorder** (we can't get ourselves organised properly)
 - **poverty** (we don't have the resources)
 - **cynicism** (don't bother : it will blow over)
 - **mutiny** (they don't know what they are doing)
 - **disinterest** (forget it : I'm retiring)
- then change will take longer than when it is seen to be -
- of low or unavoidable risk
 - within the organisation's capabilities
 - exciting
 - necessary
 - normal

McCalman has proposed a test known by the acronym TROPICS which allows managers to get a feel for the nature of the change : and to establish appropriate ways of managing the task -

Time Scales	Clearly defined Short to medium	Ill defined Medium to long
Resources	Clearly defined Reasonably Fixed	Unclear and variable
Objectives	Quantifiable	Subjective
Perceptions	Shared by those affected	conflict of interest
Interest	Limited/well defined	Widespread and ill-defined
Control	Within managing group	Shared outside the group
Source	Originates internally	external

Carnall also has a useful checklist (with 15 questions) to allow one to assess the readiness of the organisation for change : and to indicate what has to be done.

6. GETTING ON WITH IT

One of the most accessible books which uses the recent literature has been written by a British woman, Liz **Clarke**, who suggests that there are five interlocking systems involved in any change process -

THE WIDER ENVIRONMENT

- what is it?
- How is it changing?

STRATEGY

- what is it?
- How does it "fit" with environment and organisation?

PEOPLE

- skill gaps ?

SYSTEMS

- reward :
- communication

STRUCTURES

- span of control

She then suggests the following stages - and comments - are worth following

1. Research external and internal market for change

- build an internal market by using the external comments
- destabilise the status quo

2. Anticipate (and use) Resistance

- key players should collect data on likely resisters
- create channels for articulating dissent
- "scope" the change (ie assess its scale)

3. Develop a Shared Vision

- link the change with the vision
- encourage "what if-ing" to get comfortable with the future

4. Mobilise Commitment

- spread change to get "critical mass"
- appoint change agents
- hold cross-functional workshops
- communicate and counsel

5. Prepare a Change Plan (nb this is stage 5 only !)

- build an incremental plan phased over time
- break the change into manageable bits

6. Reinforce the Plan

- follow-up surveys to adjust
- institutionalise
- identify and reward heroes

Gerald **Caiden** is one of the few academics to have carefully documented the various attempts in the post-war period at administrative reform throughout the world - first in a book in the 1970s and latterly in his Administrative Reform Comes of Age.

His assessment leads him to consider that **externally imposed reform** is generally disappointing ; for the following reasons -

- many of those who decide on reform are themselves strangers : reform is just another assignment, from which they will soon move on

- many of those on whom the burden of reform have their own agenda and cannot be entirely neutral about reforms whose very nature can be seen as an indictment of them. Naturally they are resentful and suspicious : but they may also have a superior grasp of the situation to realise that the proposed reforms may worsen rather than improve the status quo.

- many public organisations are considered experts in their fields. How find equivalent or superior expertise ?

- reforms are at the mercy of determined internal resisters : the deeper the resistance, the more needed the reform".

In these circumstances, the process of self-renewal has much to commend it - but "relies unduly on the interest, talent and capability of people within the organisation - and is restricted to how they define their problems and view the world". The last decade has, however, brought into being a variety of forces and mechanisms which now exert considerable pressure to keep performance high - such as performance audits, ombudsman offices, suggestion schemes, quality circles, codes of ethics and whistle-blowing protection. "These are all devices for drawing public attention to administrative deficiencies, mobilising public opinion behind reform, investigating bureaucratic pathologies, designing reform policies, marshalling support and resources for reform and generally monitoring the progress of reform. No longer is there any excuse for not knowing what to do and how to proceed. It is only a question of willingness" (Caiden 1991 : p144)

On this basis, Caiden then looks at twelve "Common Pitfalls" of reform -

- **A Bad Start**
- **Imitation, not Innovation** ("the real mission of reformers is to find out why nothing was done previously, whether the current circumstances are more encouraging for adoption, and what should be done to get effective action if past proposals are still deemed appropriate")
- **Incorrect Diagnosis** ("faults usually occur for three reasons - unobtainable aims ; obstructive structures - eg the components may be inadequate in number or linkage - inadequate performance due to inappropriate staff expectations, qualifications, incentives, evaluation etc. "Correct diagnosis involves proper understanding and rating of these possible problem areas before deciding on a reform programme")
- **Hidden Agendas**
- **Indecisive Approach**
- **Faulty Planning of the intervention**
- **Narrow Vision**
- **Inability to Command resources and Internal Support**
- **Absence of Feedback : Little Monitoring : Ignoring of Evaluation**
- **Goal Displacement**

After all that, his recommendations are a bit anti-climactic - but effectively underline the point made at the beginning of the chapter that there are no short-cuts or magic formulae !

1. A good beginning is essential and requires thorough homework, an appearance of independence, commitment and open-mindedness
2. Innovation means tailoring reforms to specific conditions and avoiding needless repetition and abstract prescriptions
3. Diagnosis should be appropriate and focussed on - attainable objectives, facilitating structures and suitable performance
4. Hidden intentions should be avoided
5. Reformers have to be decisive and maintain the upper hand
6. Reformers have to plan carefully - and replan as circumstances change
7. Reformers have to be bold and imaginative
8. Reformers have to muster sufficient resources to realise reforms
9. Reforms should be monitored at all times
10. Reforms should be evaluated by the reformers, the reformed and the public at large

11. Goal displacement should be avoided.

In this section I describe - or quote from - the work of those authors who seem to me to offer both the insights and techniques to help manage change effectively. Each uses terms which will mean different things to different groups. Thinking about where they seem to differ - and what they seem to have in common - will hopefully help you develop your own strategy for your particular needs.

6.1 Hutchinson has recently produced a very helpful book designed to help managers understand the environmental challenge : and how they might, as managers, help their organisation better face up to that challenge.

Amongst many useful points I commend the following -

- a. Who is feeling the pain ?
- b. Who is accepting ownership of the problem (in terms of action)
- c. Who has the power to act ?
- d. Who has the power to block the initiative ?

He suggests there are 4 elements to the change equation -

- a. The current situation : how dissatisfied are people ?
- b. The desired situation : what is the vision ?
- c. The practical steps : is there an action plan ?
- d. The will to succeed : is there the will to make things happen ?

Hutchinson's Preconditions for Effective Change

1. Effective leadership from the top
2. A significant degree of commitment to the required changes
3. An articulated, appropriate vision and clear change goals
4. Senior people demonstrating their commitment to the change by "modelling" the required changes
5. A tailor-made learning event (probably lasting 4-5 days) attended by all key people to enable them to think through and come to terms with the change as it affects them personally.
6. Follow-up support during implementation
7. Establishing systems to enable the change to work smoothly ie staff appraisal and information
8. Creating a critical mass of people supporting the change
9. Regularly reviewing progress against predetermined criteria
10. Regular communications
11. Celebration of success

7. MAKING SENSE OF IT

Apart from the Lewin book it is only in the last 5-6 years that these frameworks have appeared: and only as this book was in its final stages that I have had the chance to read many of them. Obviously the particular selection and emphasis I have made of that material reflects my own prejudices and experiences.

The chapter on urban regeneration in this book gives a broad indication of that ambitious attempt to move an insensitive bureaucratic system to one that had more coherence: key features were -

- the sense of "new beginnings" (with new organisations and leaders)
- facing new problems
- requiring new approaches
- intensive dialogue at 3 levels (internal : citizen : inter-agency)
- a recognition of the need for both a "smart" centre and devolved powers

The conditions we had in Strathclyde Region were unique to that time and place: each person must look at their own conditions and ask how the creative forces which are generally lying dormant in their organisation can best be released. My experience suggested that any effective strategy needed to tackle the following issues -

- a. Getting the key policy-makers to recognise that -
 - regardless of their rhetoric, the organisation for which they are responsible is not achieving
 - this is normal : vide global changes
 - radical new approaches are needed
 - and possible
 - AND that they should give programmes which embody such approaches their time and commitment (words are easy!)
- b. Activating a wide - and inclusive - network (recognising and dealing with "forces of resistance")
- c. Developing appropriate and acceptable strategies (with appropriate resources)
- d. Ensuring that projects are selected which reflect strategic principles
- e. Ensuring they are managed in such a manner that maximises their chance of success: and builds success on success (one of the secrets of development).

8. **SOME LESSONS FROM ADMINISTRATIVE REFORM**

If there is one single lesson from the past 25 years of "administrative reform", it is that we all have to be ruthless in asking such questions as -

What exactly is the problem ? What precisely will be achieved by any administrative reform

- cost savings ?
- more central control ?
- more local government power ?
- more effective policies ?

Have other ways of achieving the particular objective properly been explored ?

Has there been enough consultation to make people feel committed to the change ?

Have we got the right combination of

- structural change

- personnel : is the appointments procedure designed to get the best people ? Nothing will kill reform faster than the cynicism which follows suspect appointments. Time and creative effort should be put into appointment procedure to make sure you get the best - and are seen to have been open and fair.

- resources and timescale

- sustained political commitment ? Without this, reform will fail. **Governments lack two important features of private companies** - they lack the clear goals and tangible performance measures of the company : and the combined effects of political intrigue, ideology, elections - and the recurring crises which seem to be such a feature of modern government - mean that political leaders can rarely give the sustained leadership which organisational change requires. The results of organisational change lie well in the future - when those responsible (officials or politicians) will have moved on ! But such a casual view is highly dangerous if it destroys the credibility of government - and those associated with it !

How will we know IF we re achieving or not ??

Who should tell us : using what indices ?

LESSONS FROM 25 YEARS OF ADMINISTRATIVE REFORM IN W EUROPE -

Be clear about what you want to achieve

organisational changes should flow from a prior examination and agreement on -

- WHAT exactly do we want ?

- WHY do the existing structures not give us this ?

- HOW precisely will any new structures achieve MORE ?

- at what COSTS and RISKS ?

Go for the fundamental questions : and ignore those who say you're being academic !

- tinkering with small bits just delays things - at high costs !

- history has a dreadful habit of forcing you to consider options which you ruled out years earlier as "unrealistic"

- there is always time to do things right !

Reform which is internally driven can be easily side-tracked and aborted. **Serious reformers will make encourage external countervailing forces for change.**

The **methods** you use to achieve the change are fundamental

- they will affect the outcome MORE than any other factor

- WHAT incentive structures should be changed to make any new structures more likely to achieve ?

Ensure you have a **cadre of senior managers who understand** the changes and are committed to them !

Communicate : communicate !!!

- Don't take such decisions in secret : nothing works unless those who will be affected feel involved (see Kanter's 10 points !)
- Independent Commissions are one way to proceed : taking evidence - to generate a clear and real consensus

Don't be diverted by discussions about geographical boundaries !

- the prior questions are WHO should do WHAT !

Develop the skills of "thinking" and "doing" at lower levels

- don't try to do everything at the centre

Train for change !

Bibliography on MANAGING CHANGE

Bate Paul Strategies for Cultural Change (Butterworth 1994)

- one of the few books which really tries to give a satisfactory conceptual base to the question of implementing an effective programme of organisational change. From an academic base, he has read all the relevant literature - but also been involved as a consultant with British Rail in the 1980s and the book very much comes out of that traumatic experience !

He suggests there are 4 basic approaches to organisational change -

- aggressive
- conciliative
- "corrosive" (political)
- indoctrinaire

- whose relevance can be assessed by using 5 "design parameters" -

- expressiveness (feelings)
- commonality (relationships)
- penetration (numbers)
- adaptability (process)
- durability (structure)

He then looks at the stages of change -

- deformative ("catching people's attention")
- reconciliative ("capturing their intention")
- acculturative (gaining commitment)
- enactive (doing)
- formative (reinforcing)

arguing that "structure creates nothing" but must emerge from this process. His final section looks at different types of leadership required - aesthetic, political, ethical, action and formative.

Buchanan D

And Boddy D The Expertise of the Change Agent - public performance and backstage activity (Prentice Hall 1992)

A very readable review of the literature in this area which tries to develop a "richer perspective". The authors identify three general approaches and logics - "project management" (relying on the logic of **problem-solving**); "participative management" (relying on the logic of **establishing ownership**); and "political management" (relying on the logic of **legitimacy**, emphasising the processes of selling, team building and blocking resistance).

The book is written around five main propositions -

1. The change agent has to address **three parallel agendas** - content, control and process
2. The context is experienced in terms of 4 components which influence the degree of **vulnerability** of the change agent - "shifting sands", "organisational interdependencies", "ownership ambiguities" and "senior stance"
3. Content and control agendas are most significant in a low vulnerability context; process and control agendas in high.
4. Management competences relevant to process agenda are clear

5. The change agent in a high vulnerability context should proceed using the rational-linear model of change while supporting that with significant "behind the scenes" action.

Carnall Colin Managing Change in Organisations (Prentice Hall 1990)
- an accessible summary of relevant organisational literature with many practical suggestions on how to make your organisation more effective (chapter 11 has some helpful checklists)

Clarke Liz The Essence of Change (Prentice Hall 1994)
- the clearest and most practically helpful of the books I have read on the subject. Each chapter gives some useful techniques - and ends with questionnaires.

Eccles Tony Succeeding with Change - implementing action-driven strategies
(McGraw Hill 1994)

- a thoughtful and realistic book from one of Britain's foremost management Professors. Much of the American literature is now "gung-ho" about participation : his approach recognises that organisational change starts with one man (or a small number at the top) who have to formulate something before they can start to sell the new approach. He sees this process of "Endorsement" as crucial - "the growth of concerted will".

He suggests "Eight Needed Elements in Successful Change" -

- pressure for change
- a clear and shared vision
- effective liaison and trust
- the will and power to act
- capable people and sufficient resources
- suitable rewards and accountabilities
- actionable first steps
- capacity to learn and adapt

Fisher, Fred Guide for Managing Change for Urban Managers and Trainers (United Nations Habitat Centre 1991)

- an excellent training manual both for urban managers and for urban management courses, it adds an essential first stage to the classic cycle of decision-making and then offers for each very useful group exercises and insights ie -

- building a problem-solving relationship
- identifying problems and opportunities
- analysing the problem
- planning a course of action
- experimenting and redesigning
- implementing
- evaluating

In the second part of the book, issues such as strategic planning, organisational culture and leadership are addressed - as well as the critical question of "what to do on the return to the office"

Kanter, Stein "Ten Commandments for Executing Change" in The Challenge of Organisational Change (1992)

Kouzes JM and
Posner BZ

The Leadership Challenge (Jossey-Bass 1995)

- Like the Bate book, the strength of this is that it is based in both extensive reading/distillation of the literature and practical experience. As is customary, we are given Ten Commandments (they use the word Commitments)

- | | |
|-----------------------|--|
| Challenge the Process | 1. Search out challenging opportunities to change, grow, innovate and improve.
2. Experiment, take risks and learn |
| Inspire Shared Vision | 3. Envision an uplifting and ennobling future
4. Enlist others by appealing to their values, interests, hopes and dreams |
| Enable others to act | 5. Foster collaboration by promoting cooperative goals and building trust
6. Strengthen people - assign critical tasks, develop competence, offer support |
| Model the Way | 7. Set the example by behaving in ways consistent with shared values
8. Achieve small wins that promote consistent progress and build commitment |
| Encourage the Heart | 9. Recognise individual contributions to the success of every project
10. Celebrate team accomplishments regularly |

Leigh, Andrew : Effective Change - 20 ways to make it happen (IPM 1988)

Litwin G et al Mobilising the Organisation - bringing strategy to life (Prentice-Hall 1996)

- It's an apt title : takes some recent examples of dramatic organisational renewal (British Airways, Short Brothers, PowerGen and BBC) - and describes in detail how it was done. The title heads of the book very much reflect the argument of this book viz "Purpose", "Infrastructure", "Guidance" - and then, and only then, "Resourcing". Useful annotated bibliography.

Mabey C and

Mayon-White B Managing Change (2nd ed Chapman 1993)

- part of an OU course of the same title. A bit too academic.

McCalman James

and Paton R. Change Management - a guide to effective implementation (Chapman 1992)

- adopts the same approach as the course material of the OU course ie "Systems Intervention Strategy". Thorough - and rightly emphasises the usefulness of mapping techniques for policy analysis. His model is divided into 3 phases

- Definition (problem specification, formulation of success criteria" and identification of Performance indicators)

- Evaluation (generation of options, selection of evaluation techniques and option evaluation)
- Implementation (development of implementation strategies, consolidation)

This is a more technical approach relevant perhaps more to the process of specific policy or product changes rather than systemic : but is important for its emphasis of two crucial questions -

(a) **Who is the "Problem Owner" ?** : This generally has two levels : "commitment" and "responsibility". Who are the senior "champions of change" ? (those who "Can, who Know ... and who Care"). And who has been given (or taken) the actual responsibility for "making it happen" ?

(b) **How will we know if we are succeeding ?** Some time needs to be spent at the early stage not only on clearly defining the problem but also on the formulation of success criteria and the identification of Performance indicators . And, before options are listed, we need to be clear on how they will be evaluated.

Pugh Derek "Understanding and managing organisational change" in Mabey book above.

"Pugh's SIX RULES FOR MANAGING CHANGE"

- Rule One Work Hard at establishing the need for change
- Rule Two Don't only Think out the change : think through it !
- Rule Three Initiate Change through informal discussion to get feedback and participation
- Rule Four Positively encourage those concerned to give their objections
- Rule Five Be Prepared to Change Yourself !
- Rule Six Monitor the Change - and Reinforce it

Plant Roger Managing Change - and make it Stick ! (Fontana 1987)

Starkey Ken (ed) How Organisations Learn (Int Thomson Bus Press 1996)
- a useful collection of some of the key articles : and also some case-studies.

Vedin Bengt-Arne Management of Change and Innovation (Dartmouth 1994)
- 667 pages of offsets of classical articles in the field over the past decade eg "Why Change Programs don't produce change" and a psychological critique of Argyris.

Wilson A Strategy for Change : concepts and controversies in the management of change (Routledge 1992)
- a very salutary and rigorous challenge to some of the simplicities of the change rhetoricians !

PUBLIC SECTOR REFORM - The Process

Davies B. and
Ellison L.

School Leadership for the 21st Century - a competency and knowledge approach (Routledge 1997)

- now that British schools are expected to "govern" themselves, this is one of the first versions of what will clearly be an explosion of publications for the new decision-makers : applying "new" management thinking to this new area.

Flynn N and

Strehl Franz Public Sector Management in Europe (Harvester 1996)

- looks at how Sweden, UK, Netherlands, France, Germany, Austria and Switzerland are dealing with issues of planning, budgeting and managing people : and the process of changes they have enacted in these systems in recent years. Some impressions to emerge are

- the apparent inability of the centralised French system to reform itself
- the initiatives of the German municipalities (modelled on Dutch Tilburg model - and promulgated by their Association) and the disinclination until very recently of the Laender to modernise.
- the pragmatic and consensual approach in The Netherlands (eg "Great Operations" of centre-right in 1980s followed by "The Great Efficiency Operation" of centre-left in 1989 : decentralisation of 1991). This reflects the "corporatist" structures and thinking there.

Lovell Roger Managing Change in the New Public Sector (Longman 1994)

- Highly recommended as a handbook for public sector reform (in the British context). The first part draws on practice and research to give useful frameworks for thinking about such issues as

- "Gaining Support for Change" (chapter 4),
- "Understanding People" (chapter 5),
- "Communications during Change" (chapter 6)
- "Managing Resistance to Change" (chapter 7)
- "Helping Individuals cope with change" (chapter 8)

The second part looks at Instruments of Change (including empowerment, quality, the citizen's charter and contracting)

The final section of the book considers 7 case-studies (eg DVLA, Benefits Agency, HMSO, Employment Service, the Stamp Office)

Troia Sylvia Moderniser l'Administration - comment font les autres ? (les Editions Organisations 1995)

- an excellent comparative study of the reform process in France, Britain and Australia. Very practical.

Tsao K and
Worthley JA

"Chinese Public Administration : Change with Continuity during Political and Economic Development" Public Administration Review March/April 1995 - pp 169-174

- which is a fascinating comparison of the post-Civil War development of American public administration with the Chinese reform of the past decade. In both cases one

finds

Aufrecht S and
Bun Li Siu

"Reform with Chinese Characteristics : The Context of Chinese
Civil Service Reform" Public Administration Review March/April
1995 - pp 175-82

CONCLUSION

In 1970, some new words were coined which presaged the extent to which the familiar features of the post-war world would shortly change. "Turbulence" and "paradigm shift" were two of the most significant of those words; and two of the key books were Schon's **BEYOND THE STABLE STATE** and Toffler's **FUTURE SHOCK**. The warnings we were then being given related to -

- the seminal nature of the technical changes then in their infancy - in particular the way that information technology would fundamentally change the notions of both **work** and **organisations** we had been given by the industrial revolution.
- the inability of our stock of political or intellectual ideas/interests to cope with this new challenge. And the strength of the organisational resistance there would be to these changes.

A few years later, the optimism which had characterised the reconstruction of the post-war period began to crumble. Even before the oil-shock, questions began to be raised about the "costs" of economic growth - social and environmental (Hirsch, Meadows, Mishan, Club of Rome).

One book whose title and content captures the thinking of the period was "THE SEVENTH ENEMY : the human factor in the global crisis" published in 1978 by Ronald Higgins who suggested that the 7 main threats to human survival were -

- population explosion
- food shortage
- scarcity of natural resources
- pollution
- nuclear energy
- uncontrolled technology
- human nature.

His experience of government and international institutions convinced him that the most dangerous was the moral blindness of people and the inertia of political institutions. This reflected a strong theme of writers of that decade which found political expression during the mid and late 1980s. Government systems were increasingly felt to be incapable of effecting coherent change - in the absence of national emergencies.

Terms such as "corporatism", "Policy drift" and "disjointed incrementalism" (Lindblom) were invented for the phenomenon: and a new literature arose on the problems of "Implementation" which recognised the power of the "street-level" bureaucrats to block change. Ideas of market failure - which had provided a role for government intervention between the 1940s and 1960s - were replaced by ideas about government failure, creating the conditions for the radical neo-liberal agenda of the past decade.

A book which reflected the thinking of the 1980s is **John Naisbitt's MEGATRENDS** **which** tried to forecast some consequences of sophisticated technology, how we would be governed and how social structures would change. His ten trends were -

- high-tech
- national economy to global economy
- short term to long term
- centralisation to decentralisation

- institutional help to self help
- representative democracy to participative democracy
- hierarchies to networking
- North to South
- "either/or to multiple options" (the last shades of the pop management "win-win" approach).

As we approach the new millennium, the contours of our maps - geographical and mental - have dramatically altered -

- a huge consensus has developed throughout the world around the organising principle of "the market" : many of the problems of the 1970s are now seen to have been solved or capable of solution by the market, rather than oligopoly or the state
- large bureaucracies, private and public, are becoming obsolete as the microchip gives the consumer power to demand differentiation (Toffler 1990)
- the Communist empire has disappeared : but has opened a Pandora's box of inter-ethnic violence, large-scale migration, organised crime etc - but also allowed fresh new debates to open up about, for example, alternative development models (Brohman)
- anxiety about global survival continues : but focussed now not on the nuclear dimension but on ecological and biological concerns (Hutchinson)
- extremes of wealth and poverty have increased both within the North and between North and South
- the nature of work has been transformed, with questions about its future (Handy 1985 ; Reich ; Rifkin 1996 ; Sherman 1995)
- the economy and communications have become global : new Regional economic and political blocks and international agreements pose a question over the future role of the nation state (Horsman and Marshall) : and suggest the need for a strengthening of global institutions (Haq ; Petrella).
- the structure of public services is dramatically changing (Osborne and Gaebler) : and the role and performance of the political elite is being questioned.

THE SCOPE FOR ACTION - lessons across boundaries of time and space

There seem three basic ways for people to deal with change on such a scale -

- resistance
- capitulation
- strategic adjustment.

The first response has been to deny or fight it: the second to "accept the inevitable" and make the necessary tactical adjustments for survival - without any real belief.

Neither response bothers to examine in any detail the nature of the new challenge: they deal with it rather at the level of power or prejudice.

It is probably fair to say that the third response - which is to want to understand the nature of the forces of change; to explore with an open mind the likely consequences on the things that one values; and to try over time to use the forces of change to advance one's positive values - is a minority one.

It involves a more "critical" stance to the rhetoric of "progress" and development: and a belief in the possibility, under the "right" conditions, of individual and group action.

Human beings - no matter how pragmatic - always have a theory of the world, a way of making sense of it. Historically it has been fatalistic one - attributing power if not wisdom - to religious and feudal forces.

The last few centuries have seen the growth of man's self-confidence in (if not hubris about) subduing nature: and power has been attributed to classes and to individuals.

The intellectual analysis, however, about who exactly had what sort of power - and what they were doing with it - has, as one would expect, been far from coherent -

1930s	The managerial revolution (Burnham) End of Capitalism (Strachey)
1940s	Keynesism Cold War
1950s	"End of Ideology": Convergence (Bell) Revisionism : mixed economy (Shonfield : Crosland)
1960s	Private Affluence/Public Squalour (Galbraith) Worship of Scale Modernisation of Society (Berger) Participation : critique of professionalism (Pateman : Illich)
1970s	Costs of Economic Growth (Mishan, Hirsch, Club of Rome) Speed of Change (Schon, Toffler, Beer) Challenge to public spending (Buchanan, Tullock, M Friedman): collapse of welfare state. Decentralisation (Smith) Corporatism (Cawson)
1980s	Deindustrialisation (Blackaby : Dyson) Privatisation (Le Grand, Veljanovski) Reassertion of the individual/Pursuit of Excellence (Peters); Leadership (Bennis): small-scale Perestroika: Empowerment
1990s	Reconstruction of the market

Climate Change - and the end of the world! (Brown)
Reinventing Government (Osborne)
Globalisation
Systems approach to management (again!)
The Learning Organisation (Senge)

What practical conclusions can we draw from the plethora of intellectual creation described above - to help us make sense of the contemporary agenda indicated in the previous paragraph?

Are we dealing with different themes over the decades - or is the same themes being re-presented?

Some might argue, for example, that we seem now to be returning full cycle to the 1960s and 1970s debate about the need for political interventions to deal with social costs such as the environment and poverty (JK Galbraith; Hirsch) - except that that the Nation-State no longer seems the most effective focus of action in such fields as drugs, disease, environment and unemployment.

This raises the central question of how well our decision mechanisms are dealing with such key issues?

Some take a pessimistic view eg the UNDP leader who designed the Human Development Index in the 1990s suggests that the world has not risen to the challenge of the fall of the Berlin wall ; or the rise of unemployment ; let alone the environmental crisis in the manner of the post-war leaders "When bombs were raining on London, Keynes was preparing the blueprint for the Bretton Woods institutions; Monnet was dreaming about a European Economic Community; the design of the United Nations was being approved; and the Marshall Plan was taking shape" (Mahbub ul Haq).

We have certainly learned in the last decade that Government does not make an effective producer: it cannot generate the relevant resources - or staff skills. Nor implementable ideas. These require a market! The proper task of Government is rather to ensure that the creative skills and initiative of individuals are released through different sorts of creative structures.

Paradoxically, however, this involves a highly interventionist role for government - in both West and Central Europe! See the "Internal Market" strategy of the EU. It is not an excuse for laissez-faire. For the market is a social construct. It will work only if there are in place systems of rules and organisations which are trusted by people. Arguably the challenge of the new millennium is the creation of a new role for governments - at all levels, including the global - which encourages initiative within a socially responsible framework.

4. CONCLUSION - TOWARD A NEW BALANCE?

The twentieth Century has been one of tremendous struggle - between nations and between ideologies. One of the more persistent, if less bloody, arguments has been about the respective role and effectiveness of **fear, greed and compassion** in maintaining social order and furthering progress.

- Those who attributed a large influence to the first motive built hierarchical systems of government which gave experts and some politicians dominant power. The alternative was seen as anarchy

- Others then saw the market as the mechanism for creating the incentive required to reconcile private and social benefit.
- Others again (although fewer in number) saw the need for building systems of mutual co-operation to give expression to what they saw as man's naturally positive impulses.

By the time of the second world war, **state control** seemed to have won the argument and, by the mid 1950s, the talk was of the "**mixed economy**" - a combination of strong private enterprise with State control of what were considered to be "natural monopolies" and state provision of a wide range of "welfare" services (Shonfield).

This apparent consensus was, however, shattered in the 1980s when "**neo-liberalism**" rolled back the frontiers of the State; challenged to privatise significant aspects of the Welfare State and led to public management being injected with a heavy dose of private management practices (Kuttner). Some have argued that the collapse of communism was part of a common disillusion with state control (Skidelsky)

The market agenda continued - if in a less extreme form - in the 1990s but with a growing recognition that people are now more than passive "voters" or materialistic "consumers". They are **citizens** and need to feel involved in the development of their society in a way which politicians, officials and business executives cannot satisfy. A variety of voluntary (ie non-governmental) organisations - at both national and local level - have given them this satisfaction. There is, therefore, a **third sector** - beyond that of government and the market which gives expression to the more altruistic motives. Initially this expressed itself in charitable giving - but, from the successes of the environment movement, now extends to non-party policy work which has challenged the short-term perspectives of political and economic competition (Korten 1997).

This does not supplant the legitimacy of the other motives and sectors - it is rather a question of understanding how to structure activities which bring into play, in appropriate ways, all three fundamental aspects of our humanity. Our mistake has been to imagine that there was but one magic key.

As the new millennium dawns, there is every indication that -

- A new - and more humble - effort is underway **to redefine the role and operation of each of these three sectors** (Davies; J. Gates; Hulme/Turner; Lessem 1998)
- we are now ready to **build appropriate partnerships of the three sectors**

That humility is, however, less evident in our dealings with the "transition countries" where our technical assistance sometimes smacks of selling models surplus to our requirements - which may or may not be relevant to their development needs. The US is marketing its system. The EU, with its competitive tendering, has offered more choice in the models - although the *acquis* now governs its framework.

Further Reading

Effective government is not just about the mechanics of organisational structure and size. It is also about relations between politicians, advisers, officials, interest groups and society. It is also about how we think about rights and duties.

Edelman M. Symbolic Politics

Gibson T The Power in our Hands (Jon Carpenter 1996)

- Tony has spent the last thirty years working with neighbourhood associations to develop new (simple) tools to help real local development. This has been based on two key assumptions – the first the incontrovertible one that over-powerful bureaucracy has led to major planning disasters; second that the power of the bureaucrats has been based on the language and formats they used - and forced others to use. Hence his use of joint planning games. This book makes the link between local development and global change.

Hague R, Harrop

and Breslin S Comparative Government and Politics – an introduction (4th edition Macmillan 1998)

- Excellent reading for foreign consultants needing some perspective on their work. The latest edition is the very model of a textbook and reflects the massive political changes of the past decade and bases its treatment on “3 dimensions along which countries can be arrayed – authoritarian, consolidated-transitional and developed-developing”. Having established the basic concepts and the global context (“today all national governments operate in an interdependent world. Aid, data, deals, disease, drugs, information, migrants, money, movies, music, pollution, radiation, refugees, software, students, technology, tourists, values, weapons – all flow rapidly round the globe, giving national governments more challenges and more opportunities but also threatening their traditional authority” (p38), separate chapters look at **political culture; political participation; elections and public opinion; interest groups; political parties; constitutions; federal, unitary and local government structures; assemblies; the political executive; the bureaucracy; the military and police; the policy process.**

Each chapter has helpful comparative diagrams and data, country case studies and web-site as well as bibliographical references. You can get a sense yourself by consulting the support web-site www.newcastle.ac.uk/~npol.

Hann C and

Dunn E Civil Society - challenging western models (Routledge 1996)

’t Hart P Groupthink in Government - a study of small groups and policy failure (John Hopkins 1990)

Heidenheimer

AJ (ed) Political Corruption - a Handbook (Transaction 1989)

Heywood P Political Corruption (1997)

Kaufmann Guidance, Control and Evaluation in the Public Sector (de Gruyter 1985)

Majone and Ostrom

Keane J Civil Society - old images, new visions (Polity 1998)

Korten F Getting to the Twenty First Century - Voluntary action and the global agenda (Kumarian Press 1990)

- For so long I had been looking for a clear guide for policy-makers engaged in development - at whatever level - to help us all understand why, notwithstanding the inspirational successes here and there, so much of the "Development Assistance" offered to poor areas seemed not only to fail but to fail abysmally. And how to construct an effective alternative. And here it is - clearly presenting not only the detailed evidence but laying out an agenda for action. The core of the argument is that the heart of development is social processes, institutions and politics, not money and technology: although the latter are important because of the "growth model" which has underpinned western economics, only a small percentage of foreign assistance funds are invested in ways that produce a continuing stream of useful benefits (they have generally established "enclave economies" for the exploitation of natural resources). The governments and bureaucracies which receive the foreign resources represent the powerful who wish to reap rewards of that power: and therefore divert and subvert the monies from programmes which have real community benefit. And the Cold War meant that Western Agencies ignored this.

Korten has worked for The Ford Foundation and US Aid and, after 8 years with the latter, he had to admit that "it is beyond the capacity of large international assistance agencies to provide leadership as catalysts in achieving the changes required to empower the poor. Staff members are preoccupied with procedures that leave them no time for working on substantive issues of development: they have too much money, programmed in blocks that are too inflexible to be used in the opportunistic ways required by initiatives".

In 1986 he began to devote the majority of his time to work with NGOs and "found myself working with people who were limited only by their own imagination and capacity, not by the artificial constraints of a public bureaucracy burdened by legions of auditors, lawyers and contracts officers".

"Voluntary Action" is an ambiguous term - and Korten gives us a very useful 4-fold classification to distinguish "Public Service Contractors" and "Governmental non-governmental Organisations (GONGOS)" from the real VOs ("pursuing a social mission driven by a commitment to shared values") and "People Organisations". The latter is a particularly useful term - bodies "representing their members' interests, having member-accountable leadership and substantially self-reliant". Some NGOs are trying to make local councils POs!

Korten also recognises that most NGOs operate in the fields of "relief and welfare" and "self-reliant local development" although 2 new generations are opening up - "sustainable systems development" or strategic policy lobbying and "Facilitating People's Movements". "Fourth generation strategies look beyond focussed initiatives aimed at changing specific policies and structures. Their goal is to energise a critical mass of independent, decentralised initiatives in favour of a social mission" And ecological concerns figure crucially there.

Although the focus of the book is very much the "North-South" divide, I find its approach raises exactly the same issues and dilemmas we wrestled with in our community

development strategy in industrial Scotland. And we had, in 1990, perhaps reached exactly the same point - as is recognised in some of the reports being produced on the pattern by the European Union : eg "**Social and Economic Inclusion through Regional Development** : the community economic development priority in European Structural Fund Programmes in Great Britain" (EC 1996).

When Corporations Rule the World (Earthscan 1997)

- an unfortunate title for such a positive book. This is a rare book which, accepting the critique of the way Western current life-styles and commercial structures are threatening the global future, tries to map out a practical agenda for change. It is considered such a key book that it has been the subject of two major reviews in the Public Administration and Management Interactive Journal (www.pamij.com/)

Kuttner R Everything for Sale - the virtues and limits of markets (Knopf 1997)

Meltsner Policy Analysts in the Bureaucracy (California 1976)

- a neglected classic !

Mulgan G. Life After Politics - New Thinking for the 21st Century (Demos Foundation - Fontana 1997)

- the introduction suggests ten themes for the new millennium which have been the subject of recent contributions by various authors to this newest and most creative and prolific of British think-tanks. Extended excerpts form the basis of the book -

1. The slow shift in the goals of politics from quantity to quality : economic growth and issues of distribution are being replaced by concern for quality of life : this includes issues such as the distribution of status, of work and of respect in none of which does government seem to have influence.
2. Globalisation : this may be less radical an economic change than has been claimed (Hirst). What is incontrovertible is the scale of interdependence now: "we have to think far more rigorously about how different systems interconnect: industries and environments, educational systems and political ones. Action on one point in the system can have unpredictable and damaging effects elsewhere." This is difficult for governments to grasp - let alone do anything about - "since they prefer to focus on only a handful of indicators, and few are well designed for a systemic view of the world".
3. Diversity : the political traditions of many countries (certainly Britain) have been built "on an assumption of homogeneity - the idea that there is a single public, a single nation : or a possibility of generalising the experience of one particular class". In the face of the collapse of this homogeneity, two dangerous errors are evident. One to try to put the clock back: the other "to believe that there is no limit to this diversity, that societies can cohere without any agreed values or frameworks for how to discuss and agree and allocate".
4. Technology : now reshaping governments and businesses and "with the potential to reshape the ways in which we think about human nature, criminality or education"
5. Reimagination of the state : "States are no longer so clearly defined by their sovereignty over physical space and their military capacity to defend it" but have a "twin sclerosis - locked into big interest groups (like the defence industry and farmers) and into

stultifyingly bureaucratic ways of working". The article on "Governing by Cultures" is one of the best I've read on the reform of government.

6. Learning : "Such things as creativity and imagination have become vital economic tools - schools and colleges are no longer just machines for keeping children out of trouble or preparing them for repetitive menial tasks" : indeed every organisation needs to be able to learn and adapt, to mobilise the "gold in the heads of its employees, if it is not to lose trust and legitimacy". Hague's "Transforming the Dinosaurs" has some tough things to say about the educational system!
7. Gender : one of the biggest changes this century is in this relationship. Partly an economic shift : partly a cultural one as the old bases of masculinity in the military and manufacturing decline and we begin to think differently about home and work, public and private.
8. Community See ten
9. Relationship with Time : time is more visible as a resource. Questions are now being raised about its distribution between the overworked and underworked: between parenting and workplace (see Etzioni: 1994). "The two dominant decision-making techniques of the West, the election and the consumer market, are notoriously short-term: and information technologies are accelerating this. But all societies depend on the capacity to act in the long-term interest: this can be embedded in families, in personal choices, in institutions. Some societies are good at thinking far into the future. Many have been harmed by the "bias against the future" built into so many systems - and by the telescoping of time horizons in institutions as diverse as universities and banks"
10. Trust : "Many of society's most intractable problems - crime, governmental failure, under-investment - are at root problems of relationships."

Parsons W Public Policy - an introduction to the theory and practice of Policy Analysis (Elgar 1995)

- stronger on the theory but a magisterial overview!

Pearce Edward Machiavelli's Children

- a surprisingly rare discussion (by a political journalist) of the tactics used by politicians.

Perkin Harold The Third Revolution - Professional Elites in the Modern World (Routledge 1996)

- a book which should be given to each individual when (s)he makes it into their country's "Who's Who" and is clearly part of the "system". This is a story of greed - of the "haves", those who have access to the resources and prestige and how they try to retain it - with catastrophic results for the stability of their countries. Perkin is Professor of History at North-Western University who has in previous books studied the rise of professional society. Here he looks at Twentieth Century elites in the USA, England, France, Germany, Russia and Japan - and finds their behaviour equally deficient and morally irresponsible.

Saul JR Voltaire's Bastards - the Dictatorship of Reason in the West (Random House 1992)

- a stunning critique of how "experts" have perverted modern society. "The dictatorship of absolute monarchy has been replaced by that of absolute reason. The development and control of intricate systems (and language) has become the key to power". He sets the creative spontaneity of democracy against the narrow rationality of advisers. See also Perkins and Chomsky. Methods of applied reason first used by the Inquisition - then Jesuits. "To every question there is a right answer". In 1627 Richelieu had 13 proposals in his "Rational reorganisation of Government" - since then Napoleon, Lenin and McNamanara. The "middle-way" humanists represented by Paoli (Corsica), Jefferson. First technocrats were military and their academies - whose products largely useless. The brilliant generals were those who had missed out on this training! ENA succeeded because of its first generation which came from the Resistance - it was downhill thereafter.

Some quotes -

- "The unquenchable thirst for answers is the feature of the 20th century. But what are answers when there is neither memory not general understanding to give them meaning" (P136)
- "The Flowering of Armaments" and "The Question of Killing" indicate that it is only since 1961 that the economy has been put on a war-footing - due to Kennedy's decision to sell arms to the third world. "As importance of military has increased, so we have found new ways of pretending that nothing is happening"
- "So long as there is a clear belief in the purpose of an organisation, those responsible will find a sensible way to run it. But if the heart of belief is only in structure, then the whole body will gradually lose its sense of direction - and ability to function".
- "Moral values have been attributed to such things as efficiency and speed"
- "We've spent half a century arguing over management methods. If there are solutions to our confusions over government, they lie in democratic not management processes" (p262)
- "The paradox of modern capitalism is that it is masterful at producing services people don't need and in large part don't want. It is brilliant at convincing people that they do need and want them. But it has difficulty turning itself to the production of services people really need. Not only that, it spends an enormous amount of effort and money convincing people that these services are unrealistic, marginal or counterproductive"

Rose Richard Problems of Party Government (Pelican)

- a comprehensive and readable overview of the processes involved in establishing and running governments.

SIGMA Ethics in the Public Service (OECD 1998)

Strange S The Retreat of the State - the diffusion of power in the world economy (Cambridge University Press 1996)

- "power over others is exercised within and across frontiers by groups who -
- are in a position to offer or withhold **security**, or to threaten it
 - are in a position to offer or withhold **credit**
 - control access to **knowledge and information**; and who are in a position to define the nature of knowledge
 - control the terms of **production**"

Political science, she argues, focuses too much on the State - "excusable when looking at the outbreak of war" when the main issue in the security structure was perceived as how to avoid conflict between states. "But once the security structure is redefined... (to include) all sorts of other risks - of long-term environmental degradation, of hunger, of shortages of oil, of unemployment and even of preventable disease - then the central role of the State crumbs" p33

Within production, she argues four things -

- privatisation has involved the retreat by the state from their participation in ownership and control and even from direction of research and technology;
- TransNational Companies (TNCs) have done more than states and international bodies in the past decade to redistribute wealth to poorer countries;
- TNCs have taken over the function of resolving labour-management disputes
- TNCs have escaped taxation and are operating as tax-farmers

"State power is now less effective in those matters that the market, left to itself, has never been able to provide - security against violence; stable money; clear system of law and the means to enforce it; a sufficiency of public goods like drains, water supplies, transport infrastructure. Their deficiency is not made good by greater activity in marginal matters" (p5)

She looks at the 10 powers/responsibilities still claimed for the state to prove her case -

- Protection of territory
- Maintain value of currency
- Choosing the form of capitalism
- Correcting cyclical booms and slumps
- Providing safety net
- Raising taxation
- Controlling foreign trade
- Provision of infrastructure
- Confer monopolies
- Monopoly of use of violence

This book therefore focuses on the (political implications of the) activities of **telecommunications; Insurance; Mafias; the International Consultancies (the big 6);** the econocrats of **international organisations.**

Mad Money (1998)

Widdicombe The Conduct of Local Authority Business (Cmnd 9797 HMSO 1986)

- a 300 page analysis and recommendations of an independent Inquiry into certain aspects of local self-governments in Britain which were causing the Conservative Government some concern about the "representativeness" of local government eg the political nature of some expert appointments, exclusion of opposition councillors from Policy Committees and certain left-wing policies. Could be the subject of a very interesting workshop in Central Europe ! The later Salmon Report dealt with much more serious aspects of corruption on the part of national and Conservative politicians.

Special 1995 Issue of Parliamentary Affairs on "Sleeze" in European Public Life

Special 1995 Issue of Public Administration on "The State of British Public Administration"

Selective Bibliography on DEVELOPMENT

I have always found it annoying that there are separate literatures for urban development, regional development, community (and/or social) development and "third world" development.

In principle it seemed obvious to me that the basic processes were similar : and that each could learn from the other. So I have simply collected these references which clearly differ in their focus, some being concerned with the theory, others (OECD) with the practice - and a few with the necessary combination of both.

Berger Peter Pyramids of Sacrifice - political ethics and social change (Penguin 1974)

- a very thoughtful assessment of the systems choices (of socialism and capitalism) apparently facing the "underdeveloped" countries at this time. Good reading still for younger people.

Brohman John Popular Development - rethinking the theory and practice of development (Blackwell 1996)

- seems to be THE definitive overview of the way different ideological "scribblers" have affected the practice of third world development in the past few decades. And a detailed outline of the alternative approaches which, being grounded in people's lives, offer more realistic chances of working.

Cavanagh J, Beyond Bretton Woods - alternatives to the Global Economic Order (Pluto 1994)

Frank Andre G Underdevelopment of Development : an autobiographical essay (1991)

- one of the most persistent critics of "development".

George Susan One of the most critical writers on "development", her books are clear and compulsive : see -

How the Other Half Dies - the Real reasons for World Hunger (3rd edition : Penguin 1986)

The Debt Boomerang - how third world debt harms us all (Pluto Press 1992)

George S and

Fabrizio Sabelli Faith and Credit - the World Bank's Secular Empire (Penguin 1994)

- Communism may have inflicted great social, ecological and moral damage to Central Europe : our contribution in the West to world misery has been the World Bank which has, with 250 billion dollars, destroyed the lives of so many in "developing countries" in the last 2 decades in the rhetorical pursuit of "development" and the eradication of poverty (and with little compensating benefit measured even in their restricted terms) ! The authors convincingly suggest that such a betrayal of the Bretton Woods hopes can be explained only in religious/ideological terms (see also Rich : and Woodham's "The Great Irish Famine")

They quote Prof Colin Stoneman on the Zimbabwe experience : which had successfully taken 9 bank loans (646 million dollars) between 1980 and 1987 and - despite drought and S African-sponsored violence - was doing OK - if with a protected economy : Bank technical advice was to process another loan in 1987 but refused by Board because of danger of country succeeding "with the wrong policies".

Also the critical Japanese government report of 1991 : but above all the 1992 Morse report on the Sardar Sarovar Dam of Narmada - and the 1992 Wapanhans Report, both commissioned by Preston the WB President. Both exposed the widespread project failures: and failure to observe assessment procedures.

"Thus far the Bank has succeeded in having its cake and eating it: preaching market theology while constantly misreading the market and avoiding the market consequences of those misreadings. The Bank cannot go bankrupt (repayments affect the country ratings). Thus the Bank has no incentive to loan only for viable ideas: and yet its surplus is 1 billion dollars a year - and retained earnings 14 billion". (p 93)

This book (and that by Rich) demonstrate the extent to which the Bank is a closed system: the Executive Directors (despite their formal qualifications) are civil servants and are starved adequate information. The only employee to emerge with credit is Hermann Daly (environmental economist for 6 years) whose swan song on 1994 includes such injunctions as -

- stop counting the consumption of natural capital as income
- tax labour and income less : and throughput more
- maximise the productivity of natural capital in the short run and invest in increasing its supply
- move away from the ideology of global economic integration by free trade and export-led growth and toward a more nationalist orientation that seeks to develop national production for internal markets as the first option.

Habitat An Urbanising World : global report on Human Settlements (Oxford 1996)

Haq Mahbub Reflections on Human Development (Oxford University Press 1995)

- written by the man who created the UN Human Development Index which is now produced annually as the first real attempt to offer a different way of measuring the economic health and prospects of countries than the discredited GNP. The book explains the thinking behind the Index which is at an early stage of evolution - but already offers a very useful policy framework for governments.

Hirschmann A A Propensity to Self-Subversion (Harrod 1995)

- one of the most thoughtful writers on development

Korten David Getting to the Twenty First Century - Voluntary Action and the Global Agenda (Kumarian Press, USA 1990)

- A Great Book ! For so long I had been looking for a clear guide for policy-makers engaged in development - at whatever level - to help us all understand why, notwithstanding the inspirational successes here and there, so much of the "Development Assistance" offered to poor areas seemed not only to fail but to fail abysmally. And how to construct an effective alternative. And here it is - clearly presenting not only the detailed evidence but laying out an agenda for action. For more detail see the opening section of chapter 11.

Lai D. and

Myint H. The Political Economy of Poverty, Equity and Growth (Clarendon Press 1996)

- which looks at the reasons for the very different results achieved by broadly similar developing countries in the past 4 decades (Ghana and Indonesia had in the 1950s with the same income per head : now Indonesia outstrips Ghana by a factor of most 4). The book's originality lies in its exploration of the different political pressures for negative government behaviour arising from the particular mix in these countries of land and labour. The authors divide states into 2 groups - the "autonomous" (usually despotic, but sometimes "benevolent" like Hong Kong and Singapore) largely free from pressures from the governed and the "factional".

Leftwich

A. (ed) Democracy and Development (Polity 1996)

Leys C. The Rise and Fall of Development Theory (Currey 1996)
- a good complement to the Brohman book.

OECD Project Aid : Limitations and Alternatives (1986)

Rich Bruce Mortgaging the Earth : the World Bank, environmental impoverishment and the crisis of development (Earthscan 1994)

- a closely-documented study, drawing on the internal (and profoundly critical) reviews of the early 1990s, which not only rehearses the major failures (economic, social and ecological) of the Bank's projects but then attempts to explain exactly why the hopes of Bretton Woods have so dismally been perverted.

Robert McNamara (President from 1968 to 1982) emerges as the modern Faust - embodying (a) the conceit that nature could be controlled by modern technology in pursuit of a development ideology, (b) a top-down system concerned simply to impose large projects on governments and (c) an internal organisational style and structure that is totally unaccountable.

Despite new rhetoric and staffing, there is no indication that anything has changed - or can ever change. After all, free-market liberalism emerged as the global winner in 1989 - just 2 years after the Bank restructured itself around Thatcherite "Structural Adjustment" : and an "appropriate development" agenda would require more small loans awarded after a negotiation process which is alien to the Bank - requiring expertise it doesn't have.

Rodwick
and Schon Rethinking the Development Experience - essays provoked by the work of AO Hirschmann (Brookings 1994)

Rondinelli DA Development Projects as Policy Experiments (Routledge 2nd ed. 1996)

- someone with long experience who (rightly in my view) is trying to broaden the usual development perspective, incorporating the Wildvasky approach of "self-learning" organisations which has become so fashionable in the management literature of the 1990s. This is an "insider's critique" concerned to push the system from within. It is elegantly written but needs to be read in conjunction with the Brohman book. If there are enough people pushing from inside: and enough in popular movements and projects, we might get there!

Sachs W. The Development Dictionary - a guide to knowledge and power (Zeld Books 1995)
- this is not Jeffrey Sachs : who has take neo-liberalism to Afica and Russia !

de Soto H. The Other Path (Harper 1989)

Theobald R. Corruption, Development and Underdevelopment (Duke University Press 1990)

Todaro Michael Economic Development (Longman 5th edition 1994)

- an example of the traditional textbook, with glossary.

Toye J Dilemmas of Development - reflections on the counterrevolution in Devpt thought and policy (Blackwell 2nd ed 1993)

- if you want a clearly written intellectual history of the two decade long argument amongst economists, this is it ! A very stimulating read. But for the action, read Brohman.

Trainer Ted Developed to Death : rethinking Third World Development (Merlin 1989)

Wade Robert "Japan, the World Bank and the Art of Paradigm Maintenance : The East Asia Miracle in political perspective" in New Left Review May/June 1996 pp3-36

White John The Politics of Foreign Aid (Bodley head 1974)

- in those days it was possible for one person to encompass the literature : and to take a logical and philosophical approach. Since then the specialist technologists have taken over - and we have lost the overview!

A REFORMER'S GLOSSARY OF TERMS

One of the problems for people reading about the experience of public sector reform relates to LANGUAGE. I have found that there are about 35 key words in discussions about making public administration more effective. I'm sure you can add some more!

The definitions I give below are designed to be provocative - to provoke thinking and discussion. In some cases I have suggested useful follow-up reading.

- accountability - a basic principle whereby those (momentarily) with power account for its exercise to those who entrusted it to them. This means (a) open information about decisions taken and the reasons for - and implications of - this and (b) the ability to get rid of those who are not achieving!
Political systems of accountability are different from professional.
- administration - the essential routine of an organisation. Something to be carried out by paid officials and NOT politicians who SHOULD be practising leadership
- community development - a process of urban management used by those in power to involve all sectors of society in dealing with local problems.
- community economic development - a policy which combines the approaches of "local economic development" and "community development" : it is designed to put in train a set of processes which tries to reconnect disadvantaged areas to the mainstream of economic life - by engaging the local people in those regeneration efforts (EU 1996).
- Contract - a binding commitment. Normally with a commercial connotation, the word has, since the 1994 US Republican Senatorial victory and promise of a "contract with America", acquired a political connotation; in that context a highly populist one.
It was used more neutrally by the Romanian Democratic Convention in 1996 in its successful bid for local and national power in an attempt to indicate that they would actually do things important to the public.
- contracting out - when a government department arranges, by competitive tender, for the services for which it is responsible to be delivered by another organisation - for a clearly specified period and with clearly defined measures of performance.
- control - the mechanisms to try to achieve desired results. The word has very negative connotations implying that people cannot be trusted. There are many different ways of achieving what you want organisationally or politically eg -

	<ul style="list-style-type: none"> (i) <u>administrative</u> - prospective control (vetting) - retrospective control (post-hoc/audit) (ii) <u>The promise of incentives</u> (iii) <u>The threat of penalties</u> (iv) <u>Moral influence</u>
corruption	- the behaviour of government "servants" (both elected and appointed officials) when they abuse their positions of information access and/or policy influence to further the financial interests of themselves or their family. This will happen (a) when the countervailing power of the civil service, parliament and the media is weak (b) in the absence of "transparency" but also (c) when the relationship between industrial, financial and political interests is too close
decentralisation	- the process whereby central government passes to independent levels of local self-government the legal responsibility for specific activities.
Deconcentration	- the process whereby central government <u>delegates</u> to a lower level of <u>central</u> government the administrative or financial responsibility for a set of decisions.
demonstration /pilot projects	- small, introductory projects which give opportunities for testing the feasibility of an idea and laying the basis for wider adoption.
effectiveness	- the achievement of a significant and useful goal (the "output"). What politicians should be concerned with!
efficiency	- the achievement of an agreed task with minimal <u>input</u> . The glossary in <u>Governance in Transition</u> (OECD) gives a more comprehensive definition: "the relationship between resources (inputs) used and outputs produced. An efficient activity maximises outputs for a given input or minimises input for a given output. Efficiency measures take the form of output/input ratios (productivity) and expenditure/output ratios (unit cost)"
empower	- to create the encouraging environment in which people can use their own imagination and skills to act - and achieve ; rather than trying to get them to do what you want them to do.
"enabling" role	- the view of the proper role for municipalities which has gained support in the West in the past decade.

That they should not so much be managing DIRECTLY services as contracting other agencies to run them - leaving the municipal leaders the time and energy to concentrate on leadership

- evaluation - exploration of the lessons from an activity : not just whether anticipated results have been achieved (were they ever made clear ?) but what has been learned about methods of implementation - and about unanticipated lessons - and what it all means for future policies.
- governance - a term increasingly in use in recognition of the fact that Central government can no longer achieve things on its own - but requires to create the conditions in which appropriate groupings of organisations from the public, private and voluntary sector come together to achieve results.
- groupthink - blinkered thinking which overcomes the leadership of an organisation when its culture has become too arrogant, centralised and incestuous : and when it is too protected from critical messages from and about the external world.
- hiving off - when a Government sets up a free-standing Agency to take responsibility for the more routine activities of a Ministry (which generally account for more than half of the workload). These are still part of the Government system - with budgets and policy frameworks given by Government. But they are independently managed: and accountable for the achievement of agreed objectives. Transparency is greater - and Ministerial manipulation not so easy.
- leadership - now defined as the process on inspiring in others a sense of what is possible - and encouraging and enabling them to "go for it". This reflects two basic things - the highly educated nature of present work forces and societies: and the speed of change. Both require decisions to be taken near the consumer
- learning - a word which is replacing "training" which is associated with a more static society in which knowledge is certain and hierarchic - and is passed on by experts to those who don't have it. Two things have changed this model: first the realisation that people don't really learn unless they are in control of the process and taking responsibility for it. Second that all our societies are in such a state of flux that the "experts" no longer "know". One of the results has been to put more emphasis on "team" or "action" learning.

- listening - in the 1990s we have been told that we don't do enough of it : whether as individuals or as organisations. So the conduct of meetings and the structure of organisations is being reshaped to help us listen more. "Dialogue" is in - "discussion" (original Latin meaning "smashing to pieces") out.
- management - the mechanics of achieving organisational goals - and keeping the organisation functioning.
- NGOs - an ambiguous term for what the British call "voluntary organisations". Korten gives us a very useful 4-fold classification -
 - real Voluntary Organisations ("pursuing a social mission driven by a commitment to shared values")
 - "Public Service Contractors" (PSC)
 - "Governmental non-governmental Organisations (GONGOS)"
 - "People Organisations". The latter is a particularly useful term - bodies "representing their members' interests, having member-accountable leadership and substantially self-reliant". Some NGOs are trying to make local councils POs !
 Korten also recognises that most NGOs operate in four very different fields: of (a) "relief and welfare", (b) "self-reliant local development", (c) "sustainable systems development" or strategic policy lobbying and (d) "Facilitating People's Movements" which "look beyond focussed initiatives aimed at changing specific policies and structures. Their goal is to energise a critical mass of independent, decentralised initiatives in favour of a social mission"
- network - an informal system which gets things done in a way impossible for the formal system. Such networks can be "exclusive" (Mafiosi) or open. One of the difficulties in Central Europe countries is that it is the former system and connections which is understood: and the more open "networking" of Anglo-Saxon societies (encouraging individuals to make approaches to those they don't know in pursuit of ideas and projects) is risky indeed when survival requires you to keep a low profile.
- organisational development (OD) - "is a long-term effort, led and supported by top management, to improve an organisation's problem-solving processes - using the consultant-facilitator role and the theory and technology of applied behavioural science, including action-research" (Mullins)
- participation - a very ambiguous word : which can variously mean "telling", "asking" or joint decision-making.
- Partnership - A joint approach to public problems: which has Government, Local Government, the Private Sector and NGOs in a (more or less)

equal policy-making role. It is, however, the public sector which has to take the lead in urban/regional regeneration efforts - so much is clear from the experience of the past two decades. But that does NOT mean that politicians have a monopoly of truth! Indeed it is said that politicians tend to have a limited time-horizon (of the electoral cycle) and to have a preference for projects which are quickly visible ("Cathedrals in the Desert")! Those with experience of the market have different perspectives - and experience has demonstrated that a mixed Board of those from the public and private sector supplies the creative and unifying approach - with public accountability - which is needed.

Performance
Budgeting

- "budgeting organised around programmes and activities and linked to measurable performance goals. Under PB, the primary focus of the budget is on the level of output and how much that costs. Resources are allocated to sub-programmes rather than line items" (Governance in Transition: OECD).

Performance
(or output)
Measurement

- judging an organisation by measuring what it produces, rather than who it keeps happy or employed. Most usefully done on a comparative basis - over time: or among units performing similar work.

Pilot project

- see demonstration project

policy
development

- has various stages, which organisations ignore at their peril : ie -

- problem definition
- causative explanation
- search for (technically relevant) solutions
- detailed assessment
- political selection of one
- legislative drafting
- debate and parliamentary approval
- implementation
- evaluation

Each stage should involve a **different** role for such groups as experts, politicians and the public: sometimes openness and creativity; sometimes discipline and clear task specifications.

reinventing

"In the literature of public management, accountability and responsibility are often used interchangeably. But the words lead down different managerial paths. Responsibility is a personal quality that comes from one's professional ethic, a commitment to do one's best, a sense of public service. Accountability is an impersonal quality, dependent more on contractual duties and informational flows."

Schick Allen The Spirit of Reform - managing the New Zealand State Sector in a Time of Change (87 page Study commissioned by the State Services Commission 1996)

responsiveness - the ability of an organisation to hear what its customers are saying - and to respond realistically to this.

subsidiarity - one of the basic words of the European Union, indicating a commitment to transfer decision-making to the lowest possible level, its origin lies apparently in Thomas Aquinas and the justification for government action only where private initiative is insufficient or lacking .

teamwork - a word to beware ! Generally used by those in power to get their way while seeming democratic. While true that decisions taken as a result of joint discussion can be often better (and more robust) than those imposed, a lot depends on the manner in which the discussion is held - whether it is structured in a way designed to elicit problems and ideas or, rather, to sanction a dominant view (see groupthink). See Belbin for details of teams roles and structures.

Total Quality "is a philosophy with tools and processes for practical implementation aimed at achieving a culture of continuous improvement driven by all the employees in an organisation in order to satisfy and delight customers" (Marsh 1992)

transparency - another favourite word of the European Commission (apart from "subsidiarity"). It means that decision-making should be open, explicit, consistent and honest. The consequences which follow include

- the procedures and criteria for those decisions should be agreed in advance : and make public
- the identity of those taking decisions should be public knowledge
- the reasons for the decisions should be clear and procedures for appeal against them clear and acceptable.

Wicked problems

RONALD G YOUNG M.A.(Hons) M.Sc. (Policy Analysis)

Has a rare combination of academic, reforming political and managerial experience at British, West and Central European levels and has established and led many inter-professional, inter-sectoral and inter-agency teams to achieve significant policy change.

- He gained high-level and innovative experience in government in Scotland from 1974-90 was in setting up and running a government organisation (Strathclyde Regional Council) which was larger in both staff and budget terms than many of the countries of Central Europe. (100,000 staff and 3,000 MECU annual budget). He was **Secretary-General** of its "cabinet" from its inception in 1974 until 1990. This put him in a central position in the informal networks which constitute policy development and budgeting in any large government system. These he used to help the Region achieve a wide reputation for innovation - both in structures for policy design, implementation, dialogue and review and in community development and enterprise (he was one of the founders of community business in the late 1970s and chaired Strathclyde Community Business Ltd from 1986-90).
- For most of this period he was also an academic, running a Government Research Unit he had established: lecturing in Britain and Europe and writing on issues of public management reform.
- Since 1990 he has been working (and living) in Central Europe, advising various Central European Ministries and Parliaments on issues of public sector reform; regional development; and training through the PHARE programme.

He has published some 50 articles on this work - and lectured widely in Britain and Europe on innovation in government (including delivery of Annual guest Lecture at European Institute of Public Administration, Maastricht). He was an Adviser to WHO and OECD in 1990-91; British member of Council of Europe (late 1980s) and a German Marshall Fund Fellow, USA 1987

Publications include -

- **Government and Community in Central Europe** - article in Scottish Journal of Community Work, winter 1998/1999
- **Lessons for Regional Regeneration**: chapter in Proceedings of 1995 Bratislava Symposium (European Institute of Human Rights 1996)
- **Making things happen: some reflections on regional restructuring 1970-1995** (Conference paper, University of Miskolc and OECD, Hungary 1995 - Hungarian and English)
- **Toward Local Democracy**_: pamphlet on the local government challenge in Romania (1994 - Romanian and English)
- **"Boosting People's Confidence in Themselves"** - chapter in book Long-term Unemployment in Europe - the EC/local dimension ed. K.Dyson (Routledge and Kegan Paul 1989)
- Chapter in book - Participation in Urban Renewal in Europe ed Nelissen (IULA 1985)
- **"Community Development : its political and administrative challenge"** : chapter in Readings in Community Work eds Henderson and Thomas (Allen and Unwin 1981).
- **"Political management and policy-making : the Strathclyde experience of mixed task-forces"** : article in Local Government Studies Nov/Dec 1981
- **"A Little Local Inequality"**: chapter in The Real Divide : poverty and inequality in Scotland edited by Gordon Brown and Robin Cook (Mainstream 1981)
- **"What Sort of Over-Government?"**: chapter in Red Paper on Scotland ed Gordon Brown (Edinburgh University Publications 1979)
- "The **All-Embracing Problem of Multiple Deprivation**"; feature article in Social Work Today October 1978
- **The Search for Democracy** (Heatherbank Press 1978)

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SOME JOURNALS

International Review of Administrative Sciences : the official quarterly organ of the European Group of Public Administration and the International Association of Schools and Institutes of Administration. The English version can be obtained from SAGE Publications, 6 Broomhill St London EC2A 4PU (French and Spanish versions are also available). 40 pounds annually.

Journal of Common Market Studies

Journal of Democracy

Journal of European Public Policy - University of Essex

Local Government Studies : rather overpriced (125 pounds for 4 issues) but useful (from Frank Cass Newbury House 890-900 Eastern Av, Newbury Park, Ilford Essex UK)

Parliamentary Affairs : published by the Hansard Society with coverage of European political affairs and containing detailed updates of British "constitutional" events. Available from Oxford Journals OUP Unit 174, Milton Park Abingdon, Oxon OX14 4SE. 58 pounds.

Policy and Politics

Political Quarterly : a reflective journal with social democrat sympathies. From Blackwell Publishers 108 Cowley Rd Oxford OX 2ODT. 62 pounds. At least once a year there is an additional Special Issue eg "Reinventing Democracy"

Public Administration : a good "heavy" Available from Blackwell Publishers. 42 pounds.

Public Administration Review : the bimonthly journal of the American Society for Public Administration (from 1120 G Street, suite 700 Washington DC 20005-3885. 80 dollars

Public Money and Management (Blackwell) : quite excellent at 35 pounds. Available from Journal subscriptions, Marston Book Services, PO Box 240, Abingdon, Oxon England OX 144YW

West European Politics ; quarterly from Frank Cass, Gainsborough House 11 G. Rd London E 11 1 RS fax 44 181 530 7795. 38 pounds

Journals on **Development issues** are deeply disappointing, being very technical, specialised and focussed on Africa and Asia. I have found the general journals from The World Bank quite useful eg Finance and Development (order through fax 202 623 4738) and Transition

(from Jennifer Prochnow-Walker, Room N9-100, 1818 H St, NW Washington fax 202 522 1152).

There are various journals on **Transition countries** - of which the best by far is East European Constitutional Review (can be viewed in full on www.law.ny.edu/eecr/).

On Urban and Regional Policy and Development -

Economic Development Quarterly - "The Journal of American Economic Revitalisation - designed to bridge the gap between practitioners, academics and informed citizens in the field of economic development". Published by Sage, London, quarterly at 75 dollars a year (fax 44. 171 374 8741)

Entrepreneurship and Regional Development : quarterly - 38 pounds from Taylor and Francis Ltd Rankine Rd Basingstoke England RG248PR

Local Economy : from Longman Fourth Avenue Harlow Essex UK : 35 pounds

Regional Studies : quarterly and rather econometric. But contains very useful and accessible "Policy" section. 40 pounds (including membership of the Regional Studies Association) from RSA, Wharfedale Projects, 15 Micawber St, London NI7TB

Regional and Federal Studies : 35 pounds for 3 issues annually - from Frank Cass Newbury House 890-900 Eastern Av, Newbury Park, Ilford Essex UK

Urban Studies : rather academic bi-monthly - but the May issue each year is a Review edition and worth reading.

More General

The Economist : a must to keep abreast of world events - the neo-liberal philosophy is a useful provocative to thought, if occasionally juvenile.

Courier International : an excellent weekly which gives you translations of what weeklies round the world are saying about contemporary events.

Harvard Business Review

Index : the magazine for free speech. Very professional bi-monthly - 38 pounds from Writers and Scholars International Lancaster House, 33 Islington High St London

Le Monde Diplomatique : French learning at its best ! Who else would continue to give you, in newspaper format, good heavy articles complete with footnotes? Monthly

New Left Review : a must for a radical perspective ! From 120/126 Lavender Av Mitcham, Surrey, fax 181 648 4873. 22.50 pounds (quarterly)

New York Review of Books : what would life be without it ?

- rates quoted are for individual annual subscription (at 1998)

I value for their overviews and style, Public Administration, Public Money and Management, International Review of Administrative Sciences, West European Politics, Economic Development Quarterly, Regional Studies

WEBSITES

There are a growing number of relevant websites of which the most noteworthy are <http://web.bham.ac.uk/l.montiel/government/best.htm> - which tries to cover **the key sites on good government practice**.

PUMA - <http://www.oecd.org/puma/sigmaweb>

UNDP - <http://www.bestpractices.org/>

British Cabinet Office - <http://www.cabinet.office.gov.uk/servicesfirst/index/htm>

British Council - <http://www.britcoun.org/governance/index.htm>

Australian Public Service - <http://www.psmpc.gov.au/>

<http://www.globalideasbank.org/> - a collection of simple ideas for improving societies

US National Endowment for Democracy - <http://ned.org>

Public Administration Sites - <http://link.bubl.ac.uk/government/>

CONCLUSION

In 1970, some new words were coined which presaged the extent to which the familiar features of the post-war world would shortly change. "Turbulence" and "paradigm shift" were two of the most significant of those words; and two of the key books were Schon's **BEYOND THE STABLE STATE** and Toffler's **FUTURE SHOCK**. The warnings we were then being given related to -

- the seminal nature of the technical changes then in their infancy - in particular the way that information technology would fundamentally change the notions of both **work** and **organisations** we had been given by the industrial revolution.
- the inability of our stock of political or intellectual ideas/interests to cope with this new challenge. And the strength of the organisational resistance there would be to these changes.

A few years later, the optimism which had characterised the reconstruction of the post-war period began to crumble. Even before the oil-shock, questions began to be raised about the "costs" of economic growth - social and environmental (Hirsch, Meadows, Mishan, Club of Rome).

One book whose title and content captures the thinking of the period was "THE SEVENTH ENEMY : the human factor in the global crisis" published in 1978 by Ronald Higgins who suggested that the 7 main threats to human survival were -

- population explosion
- food shortage
- scarcity of natural resources
- pollution
- nuclear energy
- uncontrolled technology
- human nature.

His experience of government and international institutions convinced him that the most dangerous was the moral blindness of people and the inertia of political institutions. This reflected a strong theme of writers of that decade which found political expression during the mid and late 1980s. Government systems were increasingly felt to be incapable of effecting coherent change - in the absence of national emergencies.

Terms such as "corporatism", "Policy drift" and "disjointed incrementalism" (Lindblom) were invented for the phenomenon: and a new literature arose on the problems of "Implementation" which recognised the power of the "street-level" bureaucrats to block change. Ideas of market failure - which had provided a role for government intervention between the 1940s and 1960s - were replaced by ideas about government failure, creating the conditions for the radical neo-liberal agenda of the past decade.

A book which reflected the thinking of the 1980s is **John Naisbitt's MEGATRENDS** **which** tried to forecast some consequences of sophisticated technology, how we would be governed and how social structures would change. His ten trends were -

- high-tech
- national economy to global economy
- short term to long term
- centralisation to decentralisation

- institutional help to self help
- representative democracy to participative democracy
- hierarchies to networking
- North to South
- "either/or to multiple options" (the last shades of the pop management "win-win" approach).

As we approach the new millennium, the contours of our maps - geographical and mental - have dramatically altered -

- a huge consensus has developed throughout the world around the organising principle of "the market" : many of the problems of the 1970s are now seen to have been solved or capable of solution by the market, rather than oligopoly or the state
- large bureaucracies, private and public, are becoming obsolete as the microchip gives the consumer power to demand differentiation (Toffler 1990)
- the Communist empire has disappeared : but has opened a Pandora's box of inter-ethnic violence, large-scale migration, organised crime etc - but also allowed fresh new debates to open up about, for example, alternative development models (Brohman)
- anxiety about global survival continues : but focussed now not on the nuclear dimension but on ecological and biological concerns (Hutchinson)
- extremes of wealth and poverty have increased both within the North and between North and South
- the nature of work has been transformed, with questions about its future (Handy 1985 ; Reich ; Rifkin 1996 ; Sherman 1995)
- the economy and communications have become global : new Regional economic and political blocks and international agreements pose a question over the future role of the nation state (Horsman and Marshall) : and suggest the need for a strengthening of global institutions (Haq ; Petrella).
- the structure of public services is dramatically changing (Osborne and Gaebler) : and the role and performance of the political elite is being questioned.

THE SCOPE FOR ACTION - lessons across boundaries of time and space

There seem three basic ways for people to deal with change on such a scale -

- resistance
- capitulation
- strategic adjustment.

The first response has been to deny or fight it: the second to "accept the inevitable" and make the necessary tactical adjustments for survival - without any real belief.

Neither response bothers to examine in any detail the nature of the new challenge: they deal with it rather at the level of power or prejudice.

It is probably fair to say that the third response - which is to want to understand the nature of the forces of change; to explore with an open mind the likely consequences on the things that one values; and to try over time to use the forces of change to advance one's positive values - is a minority one.

It involves a more "critical" stance to the rhetoric of "progress" and development: and a belief in the possibility, under the "right" conditions, of individual and group action.

Human beings - no matter how pragmatic - always have a theory of the world, a way of making sense of it. Historically it has been fatalistic one - attributing power if not wisdom - to religious and feudal forces.

The last few centuries have seen the growth of man's self-confidence in (if not hubris about) subduing nature: and power has been attributed to classes and to individuals.

The intellectual analysis, however, about who exactly had what sort of power - and what they were doing with it - has, as one would expect, been far from coherent -

1930s	The managerial revolution (Burnham) End of Capitalism (Strachey)
1940s	Keynesism Cold War
1950s	"End of Ideology": Convergence (Bell) Revisionism : mixed economy (Shonfield : Crosland)
1960s	Private Affluence/Public Squalour (Galbraith) Worship of Scale Modernisation of Society (Berger) Participation : critique of professionalism (Pateman : Illich)
1970s	Costs of Economic Growth (Mishan, Hirsch, Club of Rome) Speed of Change (Schon, Toffler, Beer) Challenge to public spending (Buchanan, Tullock, M Friedman): collapse of welfare state. Decentralisation (Smith) Corporatism (Cawson)
1980s	Deindustrialisation (Blackaby : Dyson) Privatisation (Le Grand, Veljanovski) Reassertion of the individual/Pursuit of Excellence (Peters); Leadership (Bennis): small-scale Perestroika: Empowerment
1990s	Reconstruction of the market

Climate Change - and the end of the world! (Brown)
Reinventing Government (Osborne)
Globalisation
Systems approach to management (again!)
The Learning Organisation (Senge)

What practical conclusions can we draw from the plethora of intellectual creation described above - to help us make sense of the contemporary agenda indicated in the previous paragraph?

Are we dealing with different themes over the decades - or is the same themes being re-presented?

Some might argue, for example, that we seem now to be returning full cycle to the 1960s and 1970s debate about the need for political interventions to deal with social costs such as the environment and poverty (JK Galbraith; Hirsch) - except that that the Nation-State no longer seems the most effective focus of action in such fields as drugs, disease, environment and unemployment.

This raises the central question of how well our decision mechanisms are dealing with such key issues?

Some take a pessimistic view eg the UNDP leader who designed the Human Development Index in the 1990s suggests that the world has not risen to the challenge of the fall of the Berlin wall ; or the rise of unemployment ; let alone the environmental crisis in the manner of the post-war leaders "When bombs were raining on London, Keynes was preparing the blueprint for the Bretton Woods institutions; Monnet was dreaming about a European Economic Community; the design of the United Nations was being approved; and the Marshall Plan was taking shape" (Mahbub ul Haq).

We have certainly learned in the last decade that Government does not make an effective producer: it cannot generate the relevant resources - or staff skills. Nor implementable ideas. These require a market! The proper task of Government is rather to ensure that the creative skills and initiative of individuals are released through different sorts of creative structures.

Paradoxically, however, this involves a highly interventionist role for government - in both West and Central Europe! See the "Internal Market" strategy of the EU. It is not an excuse for laissez-faire. For the market is a social construct. It will work only if there are in place systems of rules and organisations which are trusted by people. Arguably the challenge of the new millennium is the creation of a new role for governments - at all levels, including the global - which encourages initiative within a socially responsible framework.

4. CONCLUSION - TOWARD A NEW BALANCE?

The twentieth Century has been one of tremendous struggle - between nations and between ideologies. One of the more persistent, if less bloody, arguments has been about the respective role and effectiveness of **fear, greed and compassion** in maintaining social order and furthering progress.

- Those who attributed a large influence to the first motive built hierarchical systems of government which gave experts and some politicians dominant power. The alternative was seen as anarchy

- Others then saw the market as the mechanism for creating the incentive required to reconcile private and social benefit.
- Others again (although fewer in number) saw the need for building systems of mutual co-operation to give expression to what they saw as man's naturally positive impulses.

By the time of the second world war, **state control** seemed to have won the argument and, by the mid 1950s, the talk was of the "**mixed economy**" - a combination of strong private enterprise with State control of what were considered to be "natural monopolies" and state provision of a wide range of "welfare" services (Shonfield).

This apparent consensus was, however, shattered in the 1980s when "**neo-liberalism**" rolled back the frontiers of the State; challenged to privatise significant aspects of the Welfare State and led to public management being injected with a heavy dose of private management practices (Kuttner). Some have argued that the collapse of communism was part of a common disillusion with state control (Skidelsky)

The market agenda continued - if in a less extreme form - in the 1990s but with a growing recognition that people are now more than passive "voters" or materialistic "consumers". They are **citizens** and need to feel involved in the development of their society in a way which politicians, officials and business executives cannot satisfy. A variety of voluntary (ie non-governmental) organisations - at both national and local level - have given them this satisfaction. There is, therefore, a **third sector** - beyond that of government and the market which gives expression to the more altruistic motives. Initially this expressed itself in charitable giving - but, from the successes of the environment movement, now extends to non-party policy work which has challenged the short-term perspectives of political and economic competition (Korten 1997).

This does not supplant the legitimacy of the other motives and sectors - it is rather a question of understanding how to structure activities which bring into play, in appropriate ways, all three fundamental aspects of our humanity. Our mistake has been to imagine that there was but one magic key.

As the new millennium dawns, there is every indication that -

- A new - and more humble - effort is underway **to redefine the role and operation of each of these three sectors** (Davies; J. Gates; Hulme/Turner; Lessem 1998)
- we are now ready to **build appropriate partnerships of the three sectors**

That humility is, however, less evident in our dealings with the "transition countries" where our technical assistance sometimes smacks of selling models surplus to our requirements - which may or may not be relevant to their development needs. The US is marketing its system. The EU, with its competitive tendering, has offered more choice in the models - although the *acquis* now governs its framework.

Further Reading

Effective government is not just about the mechanics of organisational structure and size. It is also about relations between politicians, advisers, officials, interest groups and society. It is also about how we think about rights and duties.

Edelman M. Symbolic Politics

Gibson T The Power in our Hands (Jon Carpenter 1996)

- Tony has spent the last thirty years working with neighbourhood associations to develop new (simple) tools to help real local development. This has been based on two key assumptions – the first the incontrovertible one that over-powerful bureaucracy has led to major planning disasters; second that the power of the bureaucrats has been based on the language and formats they used - and forced others to use. Hence his use of joint planning games. This book makes the link between local development and global change.

Hague R, Harrop

and Breslin S Comparative Government and Politics – an introduction (4th edition Macmillan 1998)

- Excellent reading for foreign consultants needing some perspective on their work. The latest edition is the very model of a textbook and reflects the massive political changes of the past decade and bases its treatment on “3 dimensions along which countries can be arrayed – authoritarian, consolidated-transitional and developed-developing”. Having established the basic concepts and the global context (“today all national governments operate in an interdependent world. Aid, data, deals, disease, drugs, information, migrants, money, movies, music, pollution, radiation, refugees, software, students, technology, tourists, values, weapons – all flow rapidly round the globe, giving national governments more challenges and more opportunities but also threatening their traditional authority” (p38), separate chapters look at **political culture; political participation; elections and public opinion; interest groups; political parties; constitutions; federal, unitary and local government structures; assemblies; the political executive; the bureaucracy; the military and police; the policy process.**

Each chapter has helpful comparative diagrams and data, country case studies and web-site as well as bibliographical references. You can get a sense yourself by consulting the support web-site www.newcastle.ac.uk/~npol.

Hann C and

Dunn E Civil Society - challenging western models (Routledge 1996)

’t Hart P Groupthink in Government - a study of small groups and policy failure (John Hopkins 1990)

Heidenheimer

AJ (ed) Political Corruption - a Handbook (Transaction 1989)

Heywood P Political Corruption (1997)

Kaufmann Guidance, Control and Evaluation in the Public Sector (de Gruyter 1985)

Majone and Ostrom

Keane J Civil Society - old images, new visions (Polity 1998)

Korten F Getting to the Twenty First Century - Voluntary action and the global agenda (Kumarian Press 1990)

- For so long I had been looking for a clear guide for policy-makers engaged in development - at whatever level - to help us all understand why, notwithstanding the inspirational successes here and there, so much of the "Development Assistance" offered to poor areas seemed not only to fail but to fail abysmally. And how to construct an effective alternative. And here it is - clearly presenting not only the detailed evidence but laying out an agenda for action. The core of the argument is that the heart of development is social processes, institutions and politics, not money and technology: although the latter are important because of the "growth model" which has underpinned western economics, only a small percentage of foreign assistance funds are invested in ways that produce a continuing stream of useful benefits (they have generally established "enclave economies" for the exploitation of natural resources). The governments and bureaucracies which receive the foreign resources represent the powerful who wish to reap rewards of that power: and therefore divert and subvert the monies from programmes which have real community benefit. And the Cold War meant that Western Agencies ignored this.

Korten has worked for The Ford Foundation and US Aid and, after 8 years with the latter, he had to admit that "it is beyond the capacity of large international assistance agencies to provide leadership as catalysts in achieving the changes required to empower the poor. Staff members are preoccupied with procedures that leave them no time for working on substantive issues of development: they have too much money, programmed in blocks that are too inflexible to be used in the opportunistic ways required by initiatives".

In 1986 he began to devote the majority of his time to work with NGOs and "found myself working with people who were limited only by their own imagination and capacity, not by the artificial constraints of a public bureaucracy burdened by legions of auditors, lawyers and contracts officers".

"Voluntary Action" is an ambiguous term - and Korten gives us a very useful 4-fold classification to distinguish "Public Service Contractors" and "Governmental non-governmental Organisations (GONGOS)" from the real VOs ("pursuing a social mission driven by a commitment to shared values") and "People Organisations". The latter is a particularly useful term - bodies "representing their members' interests, having member-accountable leadership and substantially self-reliant". Some NGOs are trying to make local councils POs!

Korten also recognises that most NGOs operate in the fields of "relief and welfare" and "self-reliant local development" although 2 new generations are opening up - "sustainable systems development" or strategic policy lobbying and "Facilitating People's Movements". "Fourth generation strategies look beyond focussed initiatives aimed at changing specific policies and structures. Their goal is to energise a critical mass of independent, decentralised initiatives in favour of a social mission" And ecological concerns figure crucially there.

Although the focus of the book is very much the "North-South" divide, I find its approach raises exactly the same issues and dilemmas we wrestled with in our community

development strategy in industrial Scotland. And we had, in 1990, perhaps reached exactly the same point - as is recognised in some of the reports being produced on the pattern by the European Union : eg "**Social and Economic Inclusion through Regional Development** : the community economic development priority in European Structural Fund Programmes in Great Britain" (EC 1996).

When Corporations Rule the World (Earthscan 1997)

- an unfortunate title for such a positive book. This is a rare book which, accepting the critique of the way Western current life-styles and commercial structures are threatening the global future, tries to map out a practical agenda for change. It is considered such a key book that it has been the subject of two major reviews in the Public Administration and Management Interactive Journal (www.pamij.com/)

Kuttner R Everything for Sale - the virtues and limits of markets (Knopf 1997)

Meltsner Policy Analysts in the Bureaucracy (California 1976)

- a neglected classic !

Mulgan G. Life After Politics - New Thinking for the 21st Century (Demos Foundation - Fontana 1997)

- the introduction suggests ten themes for the new millennium which have been the subject of recent contributions by various authors to this newest and most creative and prolific of British think-tanks. Extended excerpts form the basis of the book -

11. The slow shift in the goals of politics from quantity to quality : economic growth and issues of distribution are being replaced by concern for quality of life : this includes issues such as the distribution of status, of work and of respect in none of which does government seem to have influence.
12. Globalisation : this may be less radical an economic change than has been claimed (Hirst). What is incontrovertible is the scale of interdependence now: "we have to think far more rigorously about how different systems interconnect: industries and environments, educational systems and political ones. Action on one point in the system can have unpredictable and damaging effects elsewhere." This is difficult for governments to grasp - let alone do anything about - "since they prefer to focus on only a handful of indicators, and few are well designed for a systemic view of the world".
13. Diversity : the political traditions of many countries (certainly Britain) have been built "on an assumption of homogeneity - the idea that there is a single public, a single nation : or a possibility of generalising the experience of one particular class". In the face of the collapse of this homogeneity, two dangerous errors are evident. One to try to put the clock back: the other "to believe that there is no limit to this diversity, that societies can cohere without any agreed values or frameworks for how to discuss and agree and allocate".
14. Technology : now reshaping governments and businesses and "with the potential to reshape the ways in which we think about human nature, criminality or education"
15. Reimagination of the state : "States are no longer so clearly defined by their sovereignty over physical space and their military capacity to defend it" but have a "twin sclerosis - locked into big interest groups (like the defence industry and farmers) and into

stultifyingly bureaucratic ways of working". The article on "Governing by Cultures" is one of the best I've read on the reform of government.

16. Learning : "Such things as creativity and imagination have become vital economic tools - schools and colleges are no longer just machines for keeping children out of trouble or preparing them for repetitive menial tasks" : indeed every organisation needs to be able to learn and adapt, to mobilise the "gold in the heads of its employees, if it is not to lose trust and legitimacy". Hague's "Transforming the Dinosaurs" has some tough things to say about the educational system!
17. Gender : one of the biggest changes this century is in this relationship. Partly an economic shift : partly a cultural one as the old bases of masculinity in the military and manufacturing decline and we begin to think differently about home and work, public and private.
18. Community See ten
19. Relationship with Time : time is more visible as a resource. Questions are now being raised about its distribution between the overworked and underworked: between parenting and workplace (see Etzioni: 1994). "The two dominant decision-making techniques of the West, the election and the consumer market, are notoriously short-term: and information technologies are accelerating this. But all societies depend on the capacity to act in the long-term interest: this can be embedded in families, in personal choices, in institutions. Some societies are good at thinking far into the future. Many have been harmed by the "bias against the future" built into so many systems - and by the telescoping of time horizons in institutions as diverse as universities and banks"
20. Trust : "Many of society's most intractable problems - crime, governmental failure, under-investment - are at root problems of relationships."

Parsons W Public Policy - an introduction to the theory and practice of Policy Analysis (Elgar 1995)

- stronger on the theory but a magisterial overview!

Pearce Edward Machiavelli's Children

- a surprisingly rare discussion (by a political journalist) of the tactics used by politicians.

Perkin Harold The Third Revolution - Professional Elites in the Modern World (Routledge 1996)

- a book which should be given to each individual when (s)he makes it into their country's "Who's Who" and is clearly part of the "system". This is a story of greed - of the "haves", those who have access to the resources and prestige and how they try to retain it - with catastrophic results for the stability of their countries. Perkin is Professor of History at North-Western University who has in previous books studied the rise of professional society. Here he looks at Twentieth Century elites in the USA, England, France, Germany, Russia and Japan - and finds their behaviour equally deficient and morally irresponsible.

Saul JR Voltaire's Bastards - the Dictatorship of Reason in the West (Random House 1992)

- a stunning critique of how "experts" have perverted modern society. "The dictatorship of absolute monarchy has been replaced by that of absolute reason. The development and control of intricate systems (and language) has become the key to power". He sets the creative spontaneity of democracy against the narrow rationality of advisers. See also Perkins and Chomsky. Methods of applied reason first used by the Inquisition - then Jesuits. "To every question there is a right answer". In 1627 Richelieu had 13 proposals in his "Rational reorganisation of Government" - since then Napoleon, Lenin and McNamanara. The "middle-way" humanists represented by Paoli (Corsica), Jefferson. First technocrats were military and their academies - whose products largely useless. The brilliant generals were those who had missed out on this training! ENA succeeded because of its first generation which came from the Resistance - it was downhill thereafter.

Some quotes -

- "The unquenchable thirst for answers is the feature of the 20th century. But what are answers when there is neither memory not general understanding to give them meaning" (P136)
- "The Flowering of Armaments" and "The Question of Killing" indicate that it is only since 1961 that the economy has been put on a war-footing - due to Kennedy's decision to sell arms to the third world. "As importance of military has increased, so we have found new ways of pretending that nothing is happening"
- "So long as there is a clear belief in the purpose of an organisation, those responsible will find a sensible way to run it. But if the heart of belief is only in structure, then the whole body will gradually lose its sense of direction - and ability to function".
- "Moral values have been attributed to such things as efficiency and speed"
- "We've spent half a century arguing over management methods. If there are solutions to our confusions over government, they lie in democratic not management processes" (p262)
- "The paradox of modern capitalism is that it is masterful at producing services people don't need and in large part don't want. It is brilliant at convincing people that they do need and want them. But it has difficulty turning itself to the production of services people really need. Not only that, it spends an enormous amount of effort and money convincing people that these services are unrealistic, marginal or counterproductive"

Rose Richard Problems of Party Government (Pelican)

- a comprehensive and readable overview of the processes involved in establishing and running governments.

SIGMA Ethics in the Public Service (OECD 1998)

Strange S The Retreat of the State - the diffusion of power in the world economy (Cambridge University Press 1996)

- "power over others is exercised within and across frontiers by groups who -
- are in a position to offer or withhold **security**, or to threaten it
 - are in a position to offer or withhold **credit**
 - control access to **knowledge and information**; and who are in a position to define the nature of knowledge
 - control the terms of **production**"

Political science, she argues, focuses too much on the State - "excusable when looking at the outbreak of war" when the main issue in the security structure was perceived as how to avoid conflict between states. "But once the security structure is redefined... (to include) all sorts of other risks - of long-term environmental degradation, of hunger, of shortages of oil, of unemployment and even of preventable disease - then the central role of the State crumbs" p33

Within production, she argues four things -

- privatisation has involved the retreat by the state from their participation in ownership and control and even from direction of research and technology;
- TransNational Companies (TNCs) have done more than states and international bodies in the past decade to redistribute wealth to poorer countries;
- TNCs have taken over the function of resolving labour-management disputes
- TNCs have escaped taxation and are operating as tax-farmers

"State power is now less effective in those matters that the market, left to itself, has never been able to provide - security against violence; stable money; clear system of law and the means to enforce it; a sufficiency of public goods like drains, water supplies, transport infrastructure. Their deficiency is not made good by greater activity in marginal matters" (p5)

She looks at the 10 powers/responsibilities still claimed for the state to prove her case -

- Protection of territory
- Maintain value of currency
- Choosing the form of capitalism
- Correcting cyclical booms and slumps
- Providing safety net
- Raising taxation
- Controlling foreign trade
- Provision of infrastructure
- Confer monopolies
- Monopoly of use of violence

This book therefore focuses on the (political implications of the) activities of **telecommunications; Insurance; Mafias; the International Consultancies (the big 6);** the econocrats of **international organisations.**

Mad Money (1998)

Widdicombe The Conduct of Local Authority Business (Cmnd 9797 HMSO 1986)

- a 300 page analysis and recommendations of an independent Inquiry into certain aspects of local self-governments in Britain which were causing the Conservative Government some concern about the "representativeness" of local government eg the political nature of some expert appointments, exclusion of opposition councillors from Policy Committees and certain left-wing policies. Could be the subject of a very interesting workshop in Central Europe ! The later Salmon Report dealt with much more serious aspects of corruption on the part of national and Conservative politicians.

Special 1995 Issue of Parliamentary Affairs on "Sleeze" in European Public Life

Special 1995 Issue of Public Administration on "The State of British Public Administration"

Selective Bibliography on DEVELOPMENT

I have always found it annoying that there are separate literatures for urban development, regional development, community (and/or social) development and "third world" development.

In principle it seemed obvious to me that the basic processes were similar : and that each could learn from the other. So I have simply collected these references which clearly differ in their focus, some being concerned with the theory, others (OECD) with the practice - and a few with the necessary combination of both.

Berger Peter Pyramids of Sacrifice - political ethics and social change (Penguin 1974)

- a very thoughtful assessment of the systems choices (of socialism and capitalism) apparently facing the "underdeveloped" countries at this time. Good reading still for younger people.

Brohman John Popular Development - rethinking the theory and practice of development (Blackwell 1996)

- seems to be THE definitive overview of the way different ideological "scribblers" have affected the practice of third world development in the past few decades. And a detailed outline of the alternative approaches which, being grounded in people's lives, offer more realistic chances of working.

Cavanagh J, Beyond Bretton Woods - alternatives to the Global Economic Order (Pluto 1994)

Frank Andre G Underdevelopment of Development : an autobiographical essay (1991)

- one of the most persistent critics of "development".

George Susan One of the most critical writers on "development", her books are clear and compulsive : see -

How the Other Half Dies - the Real reasons for World Hunger (3rd edition : Penguin 1986)

The Debt Boomerang - how third world debt harms us all (Pluto Press 1992)

George S and

Fabrizio Sabelli Faith and Credit - the World Bank's Secular Empire (Penguin 1994)

- Communism may have inflicted great social, ecological and moral damage to Central Europe : our contribution in the West to world misery has been the World Bank which has, with 250 billion dollars, destroyed the lives of so many in "developing countries" in the last 2 decades in the rhetorical pursuit of "development" and the eradication of poverty (and with little compensating benefit measured even in their restricted terms) ! The authors convincingly suggest that such a betrayal of the Bretton Woods hopes can be explained only in religious/ideological terms (see also Rich : and Woodham's "The Great Irish Famine")

They quote Prof Colin Stoneman on the Zimbabwe experience : which had successfully taken 9 bank loans (646 million dollars) between 1980 and 1987 and - despite drought and S African-sponsored violence - was doing OK - if with a protected economy : Bank technical advice was to process another loan in 1987 but refused by Board because of danger of country succeeding "with the wrong policies".

Also the critical Japanese government report of 1991 : but above all the 1992 Morse report on the Sardar Sarovar Dam of Narmada - and the 1992 Wapanhans Report, both commissioned by Preston the WB President. Both exposed the widespread project failures: and failure to observe assessment procedures.

"Thus far the Bank has succeeded in having its cake and eating it: preaching market theology while constantly misreading the market and avoiding the market consequences of those misreadings. The Bank cannot go bankrupt (repayments affect the country ratings). Thus the Bank has no incentive to loan only for viable ideas: and yet its surplus is 1 billion dollars a year - and retained earnings 14 billion". (p 93)

This book (and that by Rich) demonstrate the extent to which the Bank is a closed system: the Executive Directors (despite their formal qualifications) are civil servants and are starved adequate information. The only employee to emerge with credit is Hermann Daly (environmental economist for 6 years) whose swan song on 1994 includes such injunctions as -

- stop counting the consumption of natural capital as income
- tax labour and income less : and throughput more
- maximise the productivity of natural capital in the short run and invest in increasing its supply
- move away from the ideology of global economic integration by free trade and export-led growth and toward a more nationalist orientation that seeks to develop national production for internal markets as the first option.

Habitat An Urbanising World : global report on Human Settlements (Oxford 1996)

Haq Mahbub Reflections on Human Development (Oxford University Press 1995)

- written by the man who created the UN Human Development Index which is now produced annually as the first real attempt to offer a different way of measuring the economic health and prospects of countries than the discredited GNP. The book explains the thinking behind the Index which is at an early stage of evolution - but already offers a very useful policy framework for governments.

Hirschmann A A Propensity to Self-Subversion (Harrod 1995)

- one of the most thoughtful writers on development

Korten David Getting to the Twenty First Century - Voluntary Action and the Global Agenda (Kumarian Press, USA 1990)

- A Great Book ! For so long I had been looking for a clear guide for policy-makers engaged in development - at whatever level - to help us all understand why, notwithstanding the inspirational successes here and there, so much of the "Development Assistance" offered to poor areas seemed not only to fail but to fail abysmally. And how to construct an effective alternative. And here it is - clearly presenting not only the detailed evidence but laying out an agenda for action. For more detail see the opening section of chapter 11.

Lai D. and

Myint H. The Political Economy of Poverty, Equity and Growth (Clarendon Press 1996)

- which looks at the reasons for the very different results achieved by broadly similar developing countries in the past 4 decades (Ghana and Indonesia had in the 1950s with the same income per head : now Indonesia outstrips Ghana by a factor of most 4). The book's originality lies in its exploration of the different political pressures for negative government behaviour arising from the particular mix in these countries of land and labour. The authors divide states into 2 groups - the "autonomous" (usually despotic, but sometimes "benevolent" like Hong Kong and Singapore) largely free from pressures from the governed and the "factional".

Leftwich

A. (ed) Democracy and Development (Polity 1996)

Leys C. The Rise and Fall of Development Theory (Currey 1996)
- a good complement to the Brohman book.

OECD Project Aid : Limitations and Alternatives (1986)

Rich Bruce Mortgaging the Earth : the World Bank, environmental impoverishment and the crisis of development (Earthscan 1994)

- a closely-documented study, drawing on the internal (and profoundly critical) reviews of the early 1990s, which not only rehearses the major failures (economic, social and ecological) of the Bank's projects but then attempts to explain exactly why the hopes of Bretton Woods have so dismally been perverted.

Robert McNamara (President from 1968 to 1982) emerges as the modern Faust - embodying (a) the conceit that nature could be controlled by modern technology in pursuit of a development ideology, (b) a top-down system concerned simply to impose large projects on governments and (c) an internal organisational style and structure that is totally unaccountable.

Despite new rhetoric and staffing, there is no indication that anything has changed - or can ever change. After all, free-market liberalism emerged as the global winner in 1989 - just 2 years after the Bank restructured itself around Thatcherite "Structural Adjustment" : and an "appropriate development" agenda would require more small loans awarded after a negotiation process which is alien to the Bank - requiring expertise it doesn't have.

Rodwick
and Schon Rethinking the Development Experience - essays provoked by the work of AO Hirschmann (Brookings 1994)

Rondinelli DA Development Projects as Policy Experiments (Routledge 2nd ed. 1996)

- someone with long experience who (rightly in my view) is trying to broaden the usual development perspective, incorporating the Wildvasky approach of "self-learning" organisations which has become so fashionable in the management literature of the 1990s. This is an "insider's critique" concerned to push the system from within. It is elegantly written but needs to be read in conjunction with the Brohman book. If there are enough people pushing from inside: and enough in popular movements and projects, we might get there!

Sachs W. The Development Dictionary - a guide to knowledge and power (Zeld Books 1995)
- this is not Jeffrey Sachs : who has take neo-liberalism to Afica and Russia !

de Soto H. The Other Path (Harper 1989)

Theobald R. Corruption, Development and Underdevelopment (Duke University Press 1990)

Todaro Michael Economic Development (Longman 5th edition 1994)

- an example of the traditional textbook, with glossary.

Toye J Dilemmas of Development - reflections on the counterrevolution in Devpt thought and policy (Blackwell 2nd ed 1993)

- if you want a clearly written intellectual history of the two decade long argument amongst economists, this is it ! A very stimulating read. But for the action, read Brohman.

Trainer Ted Developed to Death : rethinking Third World Development (Merlin 1989)

Wade Robert "Japan, the World Bank and the Art of Paradigm Maintenance : The East Asia Miracle in political perspective" in New Left Review May/June 1996 pp3-36

White John The Politics of Foreign Aid (Bodley head 1974)

- in those days it was possible for one person to encompass the literature : and to take a logical and philosophical approach. Since then the specialist technologists have taken over - and we have lost the overview!

A REFORMER'S GLOSSARY OF TERMS

One of the problems for people reading about the experience of public sector reform relates to LANGUAGE. I have found that there are about 35 key words in discussions about making public administration more effective. I'm sure you can add some more!

The definitions I give below are designed to be provocative - to provoke thinking and discussion. In some cases I have suggested useful follow-up reading.

- accountability - a basic principle whereby those (momentarily) with power account for its exercise to those who entrusted it to them. This means (a) open information about decisions taken and the reasons for - and implications of - this and (b) the ability to get rid of those who are not achieving!
Political systems of accountability are different from professional.
- administration - the essential routine of an organisation. Something to be carried out by paid officials and NOT politicians who SHOULD be practising leadership
- community development - a process of urban management used by those in power to involve all sectors of society in dealing with local problems.
- community economic development - a policy which combines the approaches of "local economic development" and "community development" : it is designed to put in train a set of processes which tries to reconnect disadvantaged areas to the mainstream of economic life - by engaging the local people in those regeneration efforts (EU 1996).
- Contract - a binding commitment. Normally with a commercial connotation, the word has, since the 1994 US Republican Senatorial victory and promise of a "contract with America", acquired a political connotation; in that context a highly populist one.
It was used more neutrally by the Romanian Democratic Convention in 1996 in its successful bid for local and national power in an attempt to indicate that they would actually do things important to the public.
- contracting out - when a government department arranges, by competitive tender, for the services for which it is responsible to be delivered by another organisation - for a clearly specified period and with clearly defined measures of performance.
- control - the mechanisms to try to achieve desired results. The word has very negative connotations implying that people cannot be trusted. There are many different ways of achieving what you want organisationally or politically eg -

	<ul style="list-style-type: none"> (i) <u>administrative</u> - prospective control (vetting) - retrospective control (post-hoc/audit) (ii) <u>The promise of incentives</u> (iii) <u>The threat of penalties</u> (iv) <u>Moral influence</u>
corruption	- the behaviour of government "servants" (both elected and appointed officials) when they abuse their positions of information access and/or policy influence to further the financial interests of themselves or their family. This will happen (a) when the countervailing power of the civil service, parliament and the media is weak (b) in the absence of "transparency" but also (c) when the relationship between industrial, financial and political interests is too close
decentralisation	- the process whereby central government passes to independent levels of local self-government the legal responsibility for specific activities.
Deconcentration	- the process whereby central government <u>delegates</u> to a lower level of <u>central</u> government the administrative or financial responsibility for a set of decisions.
demonstration /pilot projects	- small, introductory projects which give opportunities for testing the feasibility of an idea and laying the basis for wider adoption.
effectiveness	- the achievement of a significant and useful goal (the "output"). What politicians should be concerned with!
efficiency	- the achievement of an agreed task with minimal <u>input</u> . The glossary in <u>Governance in Transition</u> (OECD) gives a more comprehensive definition: "the relationship between resources (inputs) used and outputs produced. An efficient activity maximises outputs for a given input or minimises input for a given output. Efficiency measures take the form of output/input ratios (productivity) and expenditure/output ratios (unit cost)"
empower	- to create the encouraging environment in which people can use their own imagination and skills to act - and achieve ; rather than trying to get them to do what you want them to do.
"enabling" role	- the view of the proper role for municipalities which has gained support in the West in the past decade.

That they should not so much be managing DIRECTLY services as contracting other agencies to run them - leaving the municipal leaders the time and energy to concentrate on leadership

- evaluation - exploration of the lessons from an activity : not just whether anticipated results have been achieved (were they ever made clear ?) but what has been learned about methods of implementation - and about unanticipated lessons - and what it all means for future policies.
- governance - a term increasingly in use in recognition of the fact that Central government can no longer achieve things on its own - but requires to create the conditions in which appropriate groupings of organisations from the public, private and voluntary sector come together to achieve results.
- groupthink - blinkered thinking which overcomes the leadership of an organisation when its culture has become too arrogant, centralised and incestuous : and when it is too protected from critical messages from and about the external world.
- hiving off - when a Government sets up a free-standing Agency to take responsibility for the more routine activities of a Ministry (which generally account for more than half of the workload). These are still part of the Government system - with budgets and policy frameworks given by Government.
But they are independently managed: and accountable for the achievement of agreed objectives. Transparency is greater - and Ministerial manipulation not so easy.
- leadership - now defined as the process on inspiring in others a sense of what is possible - and encouraging and enabling them to "go for it". This reflects two basic things - the highly educated nature of present work forces and societies: and the speed of change. Both require decisions to be taken near the consumer
- learning - a word which is replacing "training" which is associated with a more static society in which knowledge is certain and hierarchic - and is passed on by experts to those who don't have it.
Two things have changed this model: first the realisation that people don't really learn unless they are in control of the process and taking responsibility for it. Second that all our societies are in such a state of flux that the "experts" no longer "know".
One of the results has been to put more emphasis on "team" or "action" learning.

listening	- in the 1990s we have been told that we don't do enough of it : whether as individuals or as organisations. So the conduct of meetings and the structure of organisations is being reshaped to help us listen more. "Dialogue" is in - "discussion" (original Latin meaning "smashing to pieces") out.
management	- the mechanics of achieving organisational goals - and keeping the organisation functioning.
NGOs	<p>- an ambiguous term for what the British call "voluntary organisations". Korten gives us a very useful 4-fold classification -</p> <ul style="list-style-type: none"> - real Voluntary Organisations ("pursuing a social mission driven by a commitment to shared values") - "Public Service Contractors" (PSC) - "Governmental non-governmental Organisations (GONGOS)" - "People Organisations". The latter is a particularly useful term - bodies "representing their members' interests, having member-accountable leadership and substantially self-reliant". Some NGOs are trying to make local councils POs ! <p>Korten also recognises that most NGOs operate in four very different fields: of (a) "relief and welfare", (b) "self-reliant local development", (c) "sustainable systems development" or strategic policy lobbying and (d) "Facilitating People's Movements" which "look beyond focussed initiatives aimed at changing specific policies and structures. Their goal is to energise a critical mass of independent, decentralised initiatives in favour of a social mission"</p>
network	- an informal system which gets things done in a way impossible for the formal system. Such networks can be "exclusive" (Mafiosi) or open. One of the difficulties in Central Europe countries is that it is the former system and connections which is understood: and the more open "networking" of Anglo-Saxon societies (encouraging individuals to make approaches to those they don't know in pursuit of ideas and projects) is risky indeed when survival requires you to keep a low profile.
organisational development (OD)	- "is a long-term effort, led and supported by top management, to improve an organisation's problem-solving processes - using the consultant-facilitator role and the theory and technology of applied behavioural science, including action-research" (Mullins)
participation	- a very ambiguous word : which can variously mean "telling", "asking" or joint decision-making.
Partnership	- A joint approach to public problems: which has Government, Local Government, the Private Sector and NGOs in a (more or less)

equal policy-making role. It is, however, the public sector which has to take the lead in urban/regional regeneration efforts - so much is clear from the experience of the past two decades. But that does NOT mean that politicians have a monopoly of truth! Indeed it is said that politicians tend to have a limited time-horizon (of the electoral cycle) and to have a preference for projects which are quickly visible ("Cathedrals in the Desert")! Those with experience of the market have different perspectives - and experience has demonstrated that a mixed Board of those from the public and private sector supplies the creative and unifying approach - with public accountability - which is needed.

Performance
Budgeting

- "budgeting organised around programmes and activities and linked to measurable performance goals. Under PB, the primary focus of the budget is on the level of output and how much that costs. Resources are allocated to sub-programmes rather than line items" (Governance in Transition: OECD).

Performance
(or output)
Measurement

- judging an organisation by measuring what it produces, rather than who it keeps happy or employed. Most usefully done on a comparative basis - over time: or among units performing similar work.

Pilot project

- see demonstration project

policy
development

- has various stages, which organisations ignore at their peril : ie -

- problem definition
- causative explanation
- search for (technically relevant) solutions
- detailed assessment
- political selection of one
- legislative drafting
- debate and parliamentary approval
- implementation
- evaluation

Each stage should involve a **different** role for such groups as experts, politicians and the public: sometimes openness and creativity; sometimes discipline and clear task specifications.

reinventing

"In the literature of public management, accountability and responsibility are often used interchangeably. But the words lead down different managerial paths. Responsibility is a personal quality that comes from one's professional ethic, a commitment to do one's best, a sense of public service. Accountability is an impersonal quality, dependent more on contractual duties and informational flows."

Schick Allen The Spirit of Reform - managing the New Zealand State Sector in a Time of Change (87 page Study commissioned by the State Services Commission 1996)

responsiveness - the ability of an organisation to hear what its customers are saying - and to respond realistically to this.

subsidiarity - one of the basic words of the European Union, indicating a commitment to transfer decision-making to the lowest possible level, its origin lies apparently in Thomas Aquinas and the justification for government action only where private initiative is insufficient or lacking .

teamwork - a word to beware ! Generally used by those in power to get their way while seeming democratic. While true that decisions taken as a result of joint discussion can be often better (and more robust) than those imposed, a lot depends on the manner in which the discussion is held - whether it is structured in a way designed to elicit problems and ideas or, rather, to sanction a dominant view (see groupthink). See Belbin for details of teams roles and structures.

Total Quality "is a philosophy with tools and processes for practical implementation aimed at achieving a culture of continuous improvement driven by all the employees in an organisation in order to satisfy and delight customers" (Marsh 1992)

transparency - another favourite word of the European Commission (apart from "subsidiarity"). It means that decision-making should be open, explicit, consistent and honest. The consequences which follow include

- the procedures and criteria for those decisions should be agreed in advance : and make public
- the identity of those taking decisions should be public knowledge
- the reasons for the decisions should be clear and procedures for appeal against them clear and acceptable.

Wicked problems

RONALD G YOUNG M.A.(Hons) M.Sc. (Policy Analysis)

Has a rare combination of academic, reforming political and managerial experience at British, West and Central European levels and has established and led many inter-professional, inter-sectoral and inter-agency teams to achieve significant policy change.

- He gained high-level and innovative experience in government in Scotland from 1974-90 was in setting up and running a government organisation (Strathclyde Regional Council) which was larger in both staff and budget terms than many of the countries of Central Europe. (100,000 staff and 3,000 MECU annual budget). He was **Secretary-General** of its "cabinet" from its inception in 1974 until 1990. This put him in a central position in the informal networks which constitute policy development and budgeting in any large government system. These he used to help the Region achieve a wide reputation for innovation - both in structures for policy design, implementation, dialogue and review and in community development and enterprise (he was one of the founders of community business in the late 1970s and chaired Strathclyde Community Business Ltd from 1986-90).
- For most of this period he was also an academic, running a Government Research Unit he had established: lecturing in Britain and Europe and writing on issues of public management reform.
- Since 1990 he has been working (and living) in Central Europe, advising various Central European Ministries and Parliaments on issues of public sector reform; regional development; and training through the PHARE programme.

He has published some 50 articles on this work - and lectured widely in Britain and Europe on innovation in government (including delivery of Annual guest Lecture at European Institute of Public Administration, Maastricht). He was an Adviser to WHO and OECD in 1990-91; British member of Council of Europe (late 1980s) and a German Marshall Fund Fellow, USA 1987

Publications include -

- **Government and Community in Central Europe** - article in Scottish Journal of Community Work, winter 1998/1999
- **Lessons for Regional Regeneration**: chapter in Proceedings of 1995 Bratislava Symposium (European Institute of Human Rights 1996)
- **Making things happen: some reflections on regional restructuring 1970-1995** (Conference paper, University of Miskolc and OECD, Hungary 1995 - Hungarian and English)
- **Toward Local Democracy**_: pamphlet on the local government challenge in Romania (1994 - Romanian and English)
- **"Boosting People's Confidence in Themselves"** - chapter in book Long-term Unemployment in Europe - the EC/local dimension ed. K.Dyson (Routledge and Kegan Paul 1989)
- Chapter in book - Participation in Urban Renewal in Europe ed Nelissen (IULA 1985)
- **"Community Development : its political and administrative challenge"** : chapter in Readings in Community Work eds Henderson and Thomas (Allen and Unwin 1981).
- **"Political management and policy-making : the Strathclyde experience of mixed task-forces"** : article in Local Government Studies Nov/Dec 1981
- **"A Little Local Inequality"**: chapter in The Real Divide : poverty and inequality in Scotland edited by Gordon Brown and Robin Cook (Mainstream 1981)
- **"What Sort of Over-Government?"**: chapter in Red Paper on Scotland ed Gordon Brown (Edinburgh University Publications 1979)
- "The **All-Embracing Problem of Multiple Deprivation**"; feature article in Social Work Today October 1978
- **The Search for Democracy** (Heatherbank Press 1978)

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SOME JOURNALS

International Review of Administrative Sciences : the official quarterly organ of the European Group of Public Administration and the International Association of Schools and Institutes of Administration. The English version can be obtained from SAGE Publications, 6 Broomhill St London EC2A 4PU (French and Spanish versions are also available). 40 pounds annually.

Journal of Common Market Studies

Journal of Democracy

Journal of European Public Policy - University of Essex

Local Government Studies : rather overpriced (125 pounds for 4 issues) but useful (from Frank Cass Newbury House 890-900 Eastern Av, Newbury Park, Ilford Essex UK)

Parliamentary Affairs : published by the Hansard Society with coverage of European political affairs and containing detailed updates of British "constitutional" events. Available from Oxford Journals OUP Unit 174, Milton Park Abingdon, Oxon OX14 4SE. 58 pounds.

Policy and Politics

Political Quarterly : a reflective journal with social democrat sympathies. From Blackwell Publishers 108 Cowley Rd Oxford OX 2ODT. 62 pounds. At least once a year there is an additional Special Issue eg "Reinventing Democracy"

Public Administration : a good "heavy" Available from Blackwell Publishers. 42 pounds.

Public Administration Review : the bimonthly journal of the American Society for Public Administration (from 1120 G Street, suite 700 Washington DC 20005-3885. 80 dollars

Public Money and Management (Blackwell) : quite excellent at 35 pounds. Available from Journal subscriptions, Marston Book Services, PO Box 240, Abingdon, Oxon England OX 144YW

West European Politics ; quarterly from Frank Cass, Gainsborough House 11 G. Rd London E 11 1 RS fax 44 181 530 7795. 38 pounds

Journals on **Development issues** are deeply disappointing, being very technical, specialised and focussed on Africa and Asia. I have found the general journals from The World Bank quite useful eg Finance and Development (order through fax 202 623 4738) and Transition

(from Jennifer Prochnow-Walker, Room N9-100, 1818 H St, NW Washington fax 202 522 1152).

There are various journals on **Transition countries** - of which the best by far is East European Constitutional Review (can be viewed in full on www.law.ny.edu/eecr/).

On Urban and Regional Policy and Development -

Economic Development Quarterly - "The Journal of American Economic Revitalisation - designed to bridge the gap between practitioners, academics and informed citizens in the field of economic development". Published by Sage, London, quarterly at 75 dollars a year (fax 44. 171 374 8741)

Entrepreneurship and Regional Development : quarterly - 38 pounds from Taylor and Francis Ltd Rankine Rd Basingstoke England RG248PR

Local Economy : from Longman Fourth Avenue Harlow Essex UK : 35 pounds

Regional Studies : quarterly and rather econometric. But contains very useful and accessible "Policy" section. 40 pounds (including membership of the Regional Studies Association) from RSA, Wharfedale Projects, 15 Micawber St, London NI7TB

Regional and Federal Studies : 35 pounds for 3 issues annually - from Frank Cass Newbury House 890-900 Eastern Av, Newbury Park, Ilford Essex UK

Urban Studies : rather academic bi-monthly - but the May issue each year is a Review edition and worth reading.

More General

The Economist : a must to keep abreast of world events - the neo-liberal philosophy is a useful provocative to thought, if occasionally juvenile.

Courier International : an excellent weekly which gives you translations of what weeklies round the world are saying about contemporary events.

Harvard Business Review

Index : the magazine for free speech. Very professional bi-monthly - 38 pounds from Writers and Scholars International Lancaster House, 33 Islington High St London

Le Monde Diplomatique : French learning at its best ! Who else would continue to give you, in newspaper format, good heavy articles complete with footnotes? Monthly

New Left Review : a must for a radical perspective ! From 120/126 Lavender Av Mitcham, Surrey, fax 181 648 4873. 22.50 pounds (quarterly)

New York Review of Books : what would life be without it ?

- rates quoted are for individual annual subscription (at 1998)

I value for their overviews and style, Public Administration, Public Money and Management, International Review of Administrative Sciences, West European Politics, Economic Development Quarterly, Regional Studies

WEBSITES

There are a growing number of relevant websites of which the most noteworthy are <http://web.bham.ac.uk/l.montiel/government/best.htm> - which tries to cover **the key sites on good government practice**.

PUMA - <http://www.oecd.org/puma/sigmaweb>

UNDP - <http://www.bestpractices.org/>

British Cabinet Office - <http://www.cabinet.office.gov.uk/servicesfirst/index/htm>

British Council - <http://www.britcoun.org/governance/index.htm>

Australian Public Service - <http://www.psmc.gov.au/>

<http://www.globalideasbank.org/> - a collection of simple ideas for improving societies

US National Endowment for Democracy - <http://ned.org>

Public Administration Sites - <http://link.bubl.ac.uk/government/>