

CHRISTOPHER HOOD & RUTH DIXON

A GOVERNMENT THAT WORKED BETTER AND COST LESS?

*Evaluating Three Decades of Reform and
Change in UK Central Government*



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Evaluating Three Decades of
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Christopher Hood and Ruth Dixon

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Preface and Acknowledgements

This book is meant to fill a gap. It compiles and analyses evidence about what happened to running costs and the perceived consistency and fairness of government administration over a thirty-year period in one of the governmental systems most associated with the development of ‘new managerialism’ since the 1980s, namely that of the United Kingdom.

In one sense it is surprising that there should be such a gap. After all, millions of words have been written by academics and commentators about the presumed effects of ‘New Public Management’ (NPM) and cognate developments over recent decades, and a great deal of research funding has been devoted to such issues as well. So why aren’t we already drowning in well-established evidence about what happened to cost and performance in the medium to long term?

In the course of writing this book we found out why. It is commonly claimed that we live in an age of transparency and more performance indicators than ever before—a refrain we frequently encountered as we worked on this project. But we also live in an age of highly transient information, where accounting standards and reporting conventions change frequently and often radically. And that means it can be a real challenge to assemble any kind of performance information in a consistent form for more than a few years. ‘It’s not easy to put trousers on a cat’, goes the old saying; and sometimes that was how it felt in our attempts to draw workable time-series out of ever-changing government reports. So in another sense, it is amazing that it has been possible to fill the gap at all, at least to the extent that we have been able to do so.

Readers familiar with Charles Dickens’ great novel *Hard Times* will recall the figure of Thomas Gradgrind, the anti-hero of that book (a caricature of what Dickens saw as the blinkered utilitarians of the mid-nineteenth century). Dickens portrays Gradgrind as toiling away in a room full of ‘Blue Books’ (the term then used in Britain for statistical returns and other official reports) making elaborate calculations to try to prove his theories, and ridicules that approach by likening Gradgrind’s room to an astronomical observatory without any windows. In some ways our work for this book was Gradgrind-ish, in that our point of departure was to track down reported numbers about

government performance, and follow them through their numerous twists and turns. But we then used those numbers as a basis for conversations and interviews with people working in and around government, so we don't think the 'observatory-without-windows' charge will really stick in our case.

For one of us (Christopher Hood), writing this book was a return to the scene of earlier crimes, of work in the 1970s with Andrew Dunsire on 'bureaumatrics', the quantitative analysis of government agencies. The project was partly motivated by a desire to conduct a 'then and now' analysis of UK central government before and after decades of much-hyped reforms whose professed purpose was to enhance efficiency and make government work better for citizens and customers. And for both of us, the idea for this book grew out of our involvement in a major Economic and Social Research Council-funded research programme (the Public Services Programme) in the 2000s. That programme, which was firmly focused on research on public sector performance rather than descriptions of structures and processes (the traditional focus of much scholarship in public administration), produced a new generation of useful and interesting research. We draw on that initiative in several ways here, both on some specific matters (for instance on the analysis of judicial review and satisfaction with public services) and in methods and approaches (particularly in the use of administrative data for analysis of public service performance). But the programme still left a gap to be filled in providing long-term evidence about how UK government departments performed over a period of decades, particularly on running costs. This book can therefore be seen as a completion, half a decade later, of that aspect of the programme.

We have many debts to acknowledge. This study would not have been possible without the financial support of the Leverhulme Trust, which provided a three-year grant, and the Economic and Social Research Council, which awarded a professorial fellowship to Christopher Hood. Without the time those funds provided, we would never have been able to get to the bottom of understanding the complexities of many of the data-series we looked into for this analysis. And we needed to master those complexities to assess the relevance of administrative numbers to the questions we wanted to answer, to compile consistent series where we could and identify major data breaks where we couldn't.

Nor would this book have been possible without the support and cooperation of many people inside and outside government including the many civil servants and other officials (including local government people) who gave generously of their time and expertise to provide us with datasets and answer our questions in a series of interviews which culminated in a focus group comprising current and former civil servants with a wealth of experience from different backgrounds to discuss and interpret our findings in the

summer of 2013. We also gratefully acknowledge our debt to All Souls College for allowing us to use the college's facilities for conducting that focus group.

We are grateful for research assistance from Susan Divald, Karina Gould, Imogen Peck, Rikki Dean, and Emma Anderson, who also helped with preparing the manuscript. We are also indebted to Gillian Hood for compiling the index.

Other individuals helped us by giving valuable advice as we started to delve into areas where we needed expert help. One, Brian Hogwood, even let us use his valuable dataset on 'quangos' from the 1970s to the 1990s, and offered advice for which we are very grateful. As we came to write up the analysis, many others (sometimes the same people) helped us to clarify our arguments, sharpen up our text and rethink our analysis by reading all or part of the manuscript of this book in various stages of draft. In particular we would like to thank Gwyn Bevan, Thomas Elston, Dennis Grube, David Heald, Martin Lodge, Alasdair Roberts, Martin Stanley, and Tony Travers for their valuable advice, criticism, and contributions. While deficiencies inevitably remain, they would have been far worse without the perceptive criticisms and comments of all these people.

In the age of the 'blogosphere', short versions of some elements of the analysis have appeared in various blogs. Parts of this book have also been presented at various conferences and seminars over the years and part of the analysis of running costs and tax collection costs in Chapters 4 and 5 is developed from a paper originally published in the journal *Public Administration* in 2013.

Christopher Hood and Ruth Dixon
Oxford, October 2014

Contents

<i>List of Figures and Tables</i>	xi
1. Yesterday's Tomorrows Revisited—the Route to Better and Cheaper Public Services	1
2. The General Background: What Changed and What Didn't in the UK Central Governance Landscape	20
3. Performance Data Breaks: Breaking the Mould and Burying the Evidence	44
4. Did Government Cost Less? Running Costs and Paybill	65
5. Collecting Taxes: Central and Local Government Taxation Compared	86
6. Consistency and Fairness in Administration: Formal Complaints and Legal Challenges	107
7. Comparative Perspectives on Performance	128
8. Government Processes: More Focused and Business-like or Heading into Chaos?	154
9. Not What it Said on the Tin: Assessing Three Decades of Change	178
<i>Appendix 1. Interviewees and Focus Group Members</i>	199
<i>Appendix 2. Index of Volatility: Classification of Discontinuities for Chapter 3</i>	201
<i>Appendix 3. Dealing with 'Medium' Levels of Data Volatility: The Example of Departmental Running Costs</i>	205
<i>Appendix 4. Analysis of Legislative Amendments: Methodology for Chapter 8</i>	209
<i>Selected Bibliography</i>	213
<i>Official Sources Bibliography</i>	219
<i>Index</i>	223

List of Figures and Tables

Figures

2.1	Number of Ministers 1979–2010	24
2.2a	Number of Non-Departmental Public Bodies 1979–2013	28
2.2b	Spending of Executive Non-Departmental Public Bodies in Real Terms 1979–2013	28
2.3	Numbers of Special Advisers (Political Civil Servants) 1980–2013	29
2.4a	Number of Civil Servants in Upper Management Grades 1980–2013—Senior Civil Service	30
2.4b	Number of Civil Servants in Upper Management Grades 1980–2013—Civil Service Grades 6–7	30
2.5	Number of Executive Agencies 1988–2010	33
2.6a	Total Managed Expenditure as a Percentage of GDP 1980–2013	34
2.6b	Total Managed Expenditure in Real Terms 1980–2013	34
2.7	Four Sets of Survey Responses	36
3.1	Reported Gross Running Costs of ‘The Scottish Office’ 1986–1998	46
3.2	‘Large’, ‘Medium’, and ‘Small’ Discontinuities in Four Indicators 1980–2013	52
3.3	Index of Volatility for Five-Year Intervals Since 1980	53
4.1	Running Costs of UK Civil Departments in Real Terms 1981–2010	74
4.2	UK Public Spending: Total Managed Expenditure and Department Expenditure Limits in Real Terms 1981–2013	76
4.3	Net Running Costs of UK Civil Departments as a Percentage of Departmental Expenditure Limits and Total Managed Expenditure 1981–2010	77
4.4	Gross Running Costs of Selected Civil Departments and Groups in Real Terms 1981–2004	78
4.5	UK Civil Service Paybill in Real Terms 1962–2013	80
4.6	UK Civil Service Paybill as a Percentage of Total Managed Expenditure 1962–2013	82

List of Figures and Tables

5.1	Cost-to-Yield for Centrally Collected UK Taxation 1965–2013	93
5.2	Net Administration Costs of the Tax Departments in Real Terms 1965–2013	95
5.3	Net Revenues of the Tax Departments in Real Terms 1965–2013	95
5.4	English Local Authorities' Total Tax Collection Costs in Real Terms 1979–2012	101
5.5	Estimated Cost-to-Yield of English Local Government Taxes 1979–2012	101
6.1	Complaints Received by Ombudsmen 1975–2014	113
6.2	Complaints to Parliamentary Ombudsman Proceeding to Formal Investigation 1975–2011	116
6.3a	First Stage Applications for Judicial Review, England and Wales 1975–2013	121
6.3b	Outcomes of First Stage Applications for Judicial Review 1975–2013	121
7.1	Relative Gross Running Costs of 'Agency-Heavy' and 'Agency-Light' Departments 1980–2004	134
7.2a	Civil Service Staff in Executive Agencies (or Working on Next Steps Lines) and in the Rest of the Civil Service 1988–2002	135
7.2b	Estimated Changes in Agency and Non-Agency Civil Servants between 1993 and 1998	135
7.3	Gross Administration Costs of UK Central Government and English Local Government Relative to Total Spending 1980–2012	139
7.4	Relative Administration Costs in UK Central Government and English Local Government 1981–2012	140
7.5	Complaints Received by Local Government Ombudsmen and Parliamentary Ombudsman 1981–2012	141
7.6	English Judicial Review Applications Concerning Central Government and Local Authorities, 2000–2012	142
7.7	Civil Service Staff in Scottish Departments and Agencies 1984–2012	144
7.8	Net Administration Costs of Scottish and UK Civil Departments Relative to Scottish and UK Civil Spending 1981–2013	145
7.9	Relative Administration Costs of Scottish and UK Civil Departments 1980–2010	146
7.10	Complaints about Scottish Executive (later Government) Bodies and UK Government Bodies to the Scottish and UK Parliamentary Ombudsman 1980–2012	148
7.11	Judicial Review Applications Per 10,000 Population in Scotland and in England and Wales 1987–2012 (a) All Cases (b) Non-Immigration Cases	149

8.1	Accepted Government Amendments in Two Legislative ‘Families’ Relative to the Length of the Legislation 1970–2012	159
8.2	Percentage of Departmental Accounts ‘Qualified’ by the Public Auditor 1975–2008	161
8.3	Departmental Reorganization: UK Transfer of Functions Orders 1946–2013	164
8.4	Tenure of Ministers by Government since 1945	168
8.5a	Average Tenure of Permanent Secretaries 1900–2008	168
8.5b	Tenure of Permanent Secretaries in Any One Post (all who left office 1966–2011) with Regression Line	169
8.6	Leaving and Resignation Rates from the Non-Industrial Civil Service and from Senior Grades 1975–2012	170
8.7.	Civil Service Staff in Communications Roles 1970–2013	173
8.8.	Central Office of Information Staff Numbers 1970–2013	174
A3.1.	Net Running Costs of UK Central Civil Departments 1980–81 to 1998– 99 in Real Terms, Showing Successive Reclassifications	206

Tables

1.1	How Government Works and What It Costs: Nine Possible Outcomes	13
2.1	A Summary of What Changed and What Didn’t from the Early 1980s to the Early 2010s	42
3.1	A Simple Three-Step Classification of Indicator Volatility	49
3.2	Four Possible Explanations of Evidence-Destroying Behaviour	55
3.3	Accounting for Discontinuities in the Four Cases: Ten Examples	60
4.1	An Overall Assessment: Did NPM Cut Government Costs and if so by How Much?	83
5.1	An Overall Assessment: What Happened to Central Tax Collection Costs Compared to Central Government as a Whole?	105
6.1	Did Government Work Better? A Scorecard of Indicators of Citizen Response	125
7.1	Four Types of Comparison Summarized	152
8.1	Changing Processes inside Executive Government: A Summary Scorecard	176
9.1	Indicators of Running Costs and Fairness/Consistency in Government: A Simple Scorecard for the Period 1980–2013	180

List of Figures and Tables

9.2	Nine Possible Outcomes Revisited: The Four Most Plausible Outcomes	182
A2.1	Classification of Discontinuities	201
A4.1	Results of Amendment Analysis	211

1

Yesterday's Tomorrows Revisited—the Route to Better and Cheaper Public Services

*He was the future once.*¹

1.1 Thirty Years of Public Management Makeovers—Evidence-Based or Evidence-Free?

This book shows that over a thirty-year period of successive reforms, one of the most commented-on government systems in the world (the UK) exhibited a striking increase in running or administration costs in real terms, while levels of complaint and legal challenge also soared. So why should that matter?

It matters because those three decades have witnessed repeated reform efforts, not just in the UK but around the world, to cut the costs of government and make it work better for citizens or users. Back in 1980, in the early days of Margaret Thatcher's government in Britain, one of her most powerful lieutenants of that time (Lord Heseltine) famously declared that, 'the management ethos must run right through our national life—private and public companies, civil service, nationalized industries, local government, the National Health service'.² Indeed, during the 1980s the Thatcher government introduced successive 'managerialist' reform initiatives of a kind that were destined to become familiar in the UK and in many other countries in later decades—attempts to bring greater business efficiency to government by corporatization, performance indicators, new financial frameworks,

¹ How David Cameron (then newly elected leader of the UK Conservative Party) referred to then British Prime Minister Tony Blair in their first official parliamentary confrontation (in Prime Minister's Questions, Hansard, 7 December 2005: Column 861).

² Quoted in Christopher Pollitt, *Managerialism and the Public Services: The Anglo-American Experience* (Oxford: Blackwell, 1990), p. vi.

outsourcing, performance-related pay, and more emphasis on effective management.³ Of course these changes had their antecedents, both in the twentieth century and earlier. Indeed, in some respects such initiatives harked back to the utilitarian philosopher Jeremy Bentham's early nineteenth-century ideas about how to cut the costs of government and make it more responsive to users, which were partly summed up in Bentham's famous slogan, 'aptitude maximized, expense minimized'.⁴

In the early 1990s Bentham's slogan was memorably (though probably unconsciously) reworked into the title of a well-known report by Al Gore, then vice-president under the Bill Clinton presidency in the United States: *Creating a Government that Works Better and Costs Less*.⁵ Similar documents—albeit seldom with quite such rhetorical zing—became commonplace in many other countries. Indeed, in recent decades the preoccupation with 'reinventing government'⁶ has reached the point where governments almost everywhere have had to develop reform plans to improve and 'modernize' their administration and public services. For some, the drive has been to satisfy demands from international donors or lenders or as part of a set of adjustments to meet accession conditions for the European Union or other international bodies. For others, the drive was to display an image of competence, modernity, and managerial 'grip' to their voters and to give themselves 'bragging rights' in the international community. (And those bragging rights themselves may have translated into marketing opportunities for consultants, who often included the former politicians or public servants who introduced the reforms.)

Those recipes for modernization varied. For instance, anti-corruption measures tended to figure more prominently in the plans of developing and transitional countries than in those of the developed countries. But there were some common and recurring themes. One was the idea that the way to make government work better and cost less was to *manage* it differently, on the grounds that poor management in one form or another was the main obstacle to greater efficacy.⁷ What was seen as the key to better management varied according to the ideology and worldview of would-be modernizers,

³ See for example George W. Jones, 'A Revolution in Whitehall? Changes in British Central Government since 1979', *West European Politics* 12, no. 3 (1989): 238–61; Peter Kemp, 'Next Steps for the British Civil Service', *Governance* 3, no. 2 (1990): 186–96; Joe Painter, 'Compulsory Competitive Tendering in Local Government: The First Round', *Public Administration* 69, no. 2 (1991): 191–210.

⁴ Jeremy Bentham, *Constitutional Code* (Oxford: Clarendon, [1830] 1983), p. 297: 'Indicated in these few words are the leading principles of this Constitution on the subject of remuneration.'

⁵ Al Gore, *From Red Tape to Results: Creating a Government That Works Better and Costs Less*, Report of the National Performance Review (Washington: US Government Printing Office, 1993).

⁶ The title of one of the few bestsellers ever written in the field of public management: David Osborne and Ted Gaebler, *Reinventing Government: How the Entrepreneurial Spirit is Transforming the Public Sector* (Reading, MA: Addison-Wesley, 1992).

⁷ On the 'management factor', see for instance Erik-Hans Klijn, *It's The Management, Stupid! On the Importance of Management in Complex Policy Issues* (The Hague: Lemma, 2008).

and often comprised a rather eclectic set of ideas and practices. But recurring ideas included drawing on what were seen as successful recipes from business, bringing in new kinds of people to do the managing, and structural makeovers of various kinds. Such reforms, it was claimed, would make government more focused or responsive or ‘joined-up’, including changes in politician–bureaucrat relationships to improve ‘accountability’ (which often served as a code word for making civil servants take more of the blame for government failures, particularly in the UK and similar Westminster-model bureaucracies). A second recurring theme was a strong belief in the capacity for new types of information technology (IT), if boldly and intelligently applied, to transform costly, outdated, and user-unfriendly bureaucratic processes. A third was a stress on improved presentation and packaging of initiatives and ideas, drawing on modern marketing, new media, and other forms of persuasive expertise based on psychological insights.

Such ideas and the reform efforts associated with them have not lacked for critics and commentators—quite the reverse. A huge international academic industry—interacting and overlapping with the world of consultants, non-governmental organizations, and governments’ own reform bureaucracies—has grown up to chronicle, compare, explain, and criticize such developments, particularly the so-called New Public Management movement that rose to prominence in the 1980s.⁸ Things have got to the point where the literature is almost impossible to survey (a search of Google Scholar alone for ‘New Public Management’ yields over 84,000 hits, and a Google search for the same phrase gives a hundred times more),⁹ and from the sheer volume of writing about such matters, you could be excused for thinking that the last word must surely have been said on this well-worn subject.

But there are at least two reasons for suggesting it has not. One is that the world has changed, as it is apt to do, in a way that shows up gaps and mismatches in the received interpretations and studies. The great financial crash of 2008 and the continuing repercussions of the fiscal stress and crisis that resulted from it across much of the world have put the spotlight sharply on cost containment in many governments, notably but not only in those euro-zone countries that have dramatically hit the debt wall in recent years and have not yet been able to inflate or devalue their debts away.¹⁰ It is one thing for governments to ‘talk the talk’ about efficiency and cost containment at a

⁸ One of us must take at least part of the blame for introducing this term: see Christopher Hood, ‘Public Administration and Public Policy: Intellectual Challenges for the 1990s’, *Australian Journal of Public Administration* 50 (1989): pp. 346–58; and by the same author, ‘A Public Management for All Seasons’, *Public Administration* 69, no. 2 (1991): pp. 3–19.

⁹ Searches made in June 2014.

¹⁰ See for example Christopher Hood, David Heald, and Rozana Himaz (eds), *When the Party’s Over: The Politics of Fiscal Squeeze in Perspective*, Proceedings of the British Academy 197 (Oxford: Oxford University Press, 2014).

time when public revenues are buoyant and it is easy to leverage public borrowing. In those comfortable conditions governments can readily invest more in shiny new public service facilities, and the efficiency agenda is consequently likely to be about 'spending to save' and getting 'more for more', as it was for much of the 2000s.¹¹ But it is quite another thing for governments to find themselves so strapped for cash that they have to aim for cost containment in absolute terms and/or on a scale that make 'good times' efficiency strategies (such as 'protecting the front line' of public services by cutting down on the back-office facilities and other 'management magic') insufficient, unfeasible, unaffordable, or all of the above. So the long-term track record of management, IT, and other changes which claim to be able to deliver 'more for less' merits a closer—and much harder—look than it has received up to now.

Second, and relatedly, much more has been written about the promises and the processes than about the documented results of those reform efforts of the recent past, and the tendency both for governments and the public-management commentariat is to focus on the latest reform ideas, on the rhetoric and ideology of the reformers, and on what is happening right now rather than a careful examination of what happened to previous reform efforts. That tendency to focus on the present and the future is understandable enough, given the obvious financial and political incentives to do so, but it means that past experience tends to get little systematic examination, and we tend to lack clear evidence about the outcomes of previous government makeovers. Did governments really end up 'working better and costing less' over the past thirty years or so, as all those once-important reformers who 'were the future once', so confidently expected and intended?

That bottom-line question has not been very clearly answered by the vast international public management research industry, and as far as cost is concerned it has barely been answered at all. Evaluation of results has mostly been based on the analysis of rhetoric and ideology rather than careful digging into the more prosaic issues of cost. While there is certainly an interest in matters of administrative quality, it tends to get reduced to perception indices and 'expert surveys' rather than careful before-and-after analysis of administrative data, and hence tends to be limited in validity and replicability over time. Forty years ago a senior British civil servant (Desmond Keeling) drily remarked of the reform ideas of the 1960s: 'It was a decade in which management in the public service developed greatly . . . in assertions of realized or potential benefits, but less frequently in their measurement or proof.'¹² Exactly

¹¹ Christopher Hood, 'Reflections on Public Service Reform in a Cold Fiscal Climate', in *Public Services: A New Reform Agenda*, edited by Simon Griffiths, Henry Kippen, and Gerry Stoker (London: Bloomsbury, 2013), Chapter 13, pp. 215–29.

¹² Desmond Keeling, *Management in Government* (London: George Allen and Unwin, 1972), p. 11.

the same comment could be made about most of the later decades as well, despite institutional developments accompanying frequent pious assertions about the importance of evaluation and desirability or necessity of policy to be 'evidence-based'.¹³

There are several good—well, understandable—reasons for that continuing absence of 'measurement or proof'. One is that cross-national datasets of the kind that can be found for tracing items like national income or demography over time are still in their infancy for issues of government operating cost and even for measures of administrative quality, consistency, or fairness that go beyond broad-brush (and often not very meaningful) survey questions about trust or satisfaction with government. So there is still no real alternative to tackling the analysis country by country and, as we shall show later, that tends to be highly labour-intensive in the effort required to standardize the relevant numbers over time. And such difficulties in turn limit the scope for 'quick wins' and 'low-hanging fruit' in this kind of analysis. That may be why so little progress has been made even after three decades in answering some of the basic bottom-line questions about what have been the results of so many managerial reforms in government and whether they really ended up improving government's aptitude and reducing its expense.

Another thing that has worked against such evaluation is that the quality of debate about public management and government reform tends to be surprisingly ideological in practice. At first sight you might expect aspirations to make government and public services 'work better and cost less' to be wholly unexceptionable—after all, who could possibly want the opposite? Policies for making government more effective or efficient should surely be of the type that political scientists call 'valence' issues—that is, the sort of issue over which leaders, candidates, and parties compete for votes on the basis of their perceived competence in delivering generally agreed goals—rather than 'positional' issues where politicians compete for votes over goals that are contested (such as pro-choice or pro-life, teaching of creationism or evolution in schools, higher taxes or lower spending).¹⁴ Indeed, Tony Blair (the subject of our epigraph: he helped to rebrand the British Labour party as 'New Labour' in the 1990s and is the only British Labour leader to date who has led the party to three successive general election victories) presented the public-service delivery problem as precisely that sort of valence issue in a

¹³ See for example David Taylor and Susan Balloch (eds), *The Politics of Evaluation: Participation and Policy Implementation* (Bristol: Policy Press, 2005), pp. 3–5.

¹⁴ See for example, Donald Stokes, 'Spatial Models of Party Competition', *American Political Science Review* 57, no. 2 (1963): pp. 368–77; David Butler and Donald Stokes, *Political Change in Britain* (London: Macmillan, 1969); Jane Green, 'When Voters and Parties Agree: Valence Issues and Party Competition', *Political Studies* 55 (2007): pp. 629–55.

famous and beguiling slogan ‘what matters is what works [to give effect to our values]’.¹⁵ Many other politicians and reform leaders have more or less explicitly advanced a similar claim that the public-management problem can be depoliticized and turned into a matter of common sense or well-understood paths to effective ‘modernization’—itself a term whose meaning is often misleadingly presented as self-evident and unexceptionable.

But in practice public service reform tends to be surprisingly hotly contested, for several reasons. One is that such changes so often turn on the visceral issues that divide powerful cultural worldviews—for example about the virtue or otherwise of markets and competition in social life, about the supposed collective wisdom of groups and bottom-up participation, about the proper authority to be given to experts or bosses. Because humans tend to have very strong and contradictory priors (beliefs or assumptions) on such matters, arguments about organization that link to favoured worldviews often tend to be advanced in an evidence-free fashion and are relatively impervious to contrary evidence.¹⁶ Related to that, visceral issues of identity may cut across debates that at first sight might be expected to focus on humdrum questions about what is the most practical and cost-effective way to collect the garbage or run the schools, as they typically do in societies strongly divided by race, ethnicity, religion, or language. And yet another reason for the ideological character of such policies—their apparent imperviousness to evidence—is what Thomas Ferguson calls the ‘investment theory of politics’.¹⁷ The theory posits that the choice of policies, in public management as in any other domain, can be driven as much by what influential backers and funders of parties and politicians want as by the wants of the median voter (voters who are situated in the middle of preference orderings or income distributions), the focus of so many standard models of party competition in political science since the 1960s.¹⁸

But explanation of a state of affairs is not the same as justification. And the fact that debates about public management reform have often been relatively evidence-free, evidence-light, or at least based on highly selective evidence, even on the very valence issues that reform advocates have typically stressed, makes it all the more important to pin down what can be said about when

¹⁵ Tony Blair, *The Third Way: New Politics for the New Century* (London: Fabian Society, 1998), p. 4; see also Tony Blair, ‘New Politics for the New Century’, *The Independent*, 21 September 1998.

¹⁶ Christopher Hood, *The Art of the State* (Oxford: Clarendon, 1998).

¹⁷ Thomas Ferguson, *Golden Rule: The Investment Theory of Party Competition and the Logic of Money-Driven Political Systems* (Chicago: University of Chicago Press, 1994); David Craig and Richard Brooks, *Plundering the Public Sector: How New Labour are Letting Consultants Run off with £70 Billion of Our Money* (London: Constable, 2006).

¹⁸ Donald Black, ‘On the Rationale of Group Decision-making’, *Journal of Political Economy* 56 (1948): pp. 23–34; Anthony Downs, ‘An Economic Theory of Political Action in a Democracy’, *Journal of Political Economy* 65 (1957): pp. 135–50.

and whether the last three decades of government reforms have really produced a system that ‘works better and costs less’. And that is what this book aims to do, for the critical case of the United Kingdom.

1.2 Potential Discontinuities in the Operation of Government over Three Decades: Managerialism, Digitization, Spin-Doctoring

Chapter 2 lays out what happened to some of the major features of UK central government over the three decades or so we are exploring here—for example in features such as the size of the cabinet, the number of government departments and ‘quangos’, the size and shape of the civil service, and the overall pattern of public spending. The aim of that broad-brush description is to put the changes of the last few decades into context. But, as we have already suggested, some bold claims have been made about changes over that period that are said to have had a big impact on what executive government cost and how it worked. Three common claims of that sort relate to the effects of managerial makeovers, to the effects of the digital revolution in government, and to the rise of spin-doctoring and related techniques of communication and information architecture.

1.2.1 *Better Government Through Management Makeovers*

The idea that government could be improved through better management is probably as old as government itself, and there are plenty of historical recipes for better public management. Over forty years ago Andrew Dunsire and Richard Chapman¹⁹ remarked that there had always been two strains of thinking about the civil service in Britain, the Macaulayite strain and the Benthamite strain. The Macaulayite strain, deriving from those nineteenth-century writers and politicians who admired the Chinese Confucian tradition of government by a meritocracy of scholar-administrators, stressed the role of civil servants as policy advisers, intellectuals, philosophers, and guardians of constitutional convention. The Benthamite strain, deriving from Jeremy Bentham’s distillation of a set of supposedly rational principles of public management some two hundred years ago, as mentioned at the outset, put more stress on the importance of management and service-delivery expertise to maximize ‘aptitude’ and minimize ‘expense’.²⁰

¹⁹ Richard Chapman and Andrew Dunsire (eds), *Style in Administration* (London: Allen and Unwin, 1971), p. 17.

²⁰ Leslie J. Hume, *Bentham on Bureaucracy* (Cambridge: Cambridge University Press, 1981).

During the two world wars of the twentieth century, the Benthamite or 'management' view was necessarily accorded a key role in UK central government, with many people brought in from business firms to organize production and service supply functions, from the production of munitions to the supply and distribution of basic goods and services like milk and timber. But after each of those wars, the civil service tended to revert to a more 'Macaulayite' position as the wartime command economy was turned back into a market or mixed economy. After the First World War there were criticisms of management ineptitude in UK central government in the 1920s from a business perspective, for example by Sir Stephen (Stephanos) Demetriadi (a businessman and civil servant who had been Director of Naval and Military Pensions during the First World War),²¹ and numerous articles on the subject of management and efficiency in the then newly established journal *Public Administration*.²² But there was no real equivalent to the stress laid on the potential for management in federal government in the United States by the famous Brownlow Committee of 1937, which presented management as a vital ingredient to the achievement of 'social justice, security, order, liberty, prosperity, in material benefit and in higher values of life'.²³ Perhaps the leading UK textbook on British central government in the 1950s, Mackenzie and Grove's *Central Administration in Britain*,²⁴ had much of value to say about the recurrent rhetoric of reform and restructuring and of some of the folkways of Whitehall, but little or nothing about issues of operating costs or performance in service delivery.

However, a renewed stress on management in UK government started to emerge in the 1960s and 1970s. Desmond Keeling detected early manifestations in a 1957 Treasury circular by Sir Norman Brook (then head of the British civil service) which urged the higher ranks of the civil service (the 'administrative class', as that group was then called) to pay more attention to 'management matters', and to the stress on improving management of the public services which came from a major committee on the control of Public Expenditure (the Plowden Committee), which was appointed in 1959 and reported in 1961. But, as Keeling shows, 'management' at that time came to be conceived narrowly as the conduct of personnel and pay matters in the

²¹ Sir Stephen Demetriadi, *A Reform for the Civil Service* (London: Cassell, 1921).

²² See Christopher Hood, 'British Public Administration: Dodo, Phoenix or Chameleon?', in *The British Study of Politics in the Twentieth Century*, edited by Jack Hayward, Brian Barry, and Archie Brown (Oxford: Oxford University Press for the British Academy, 1999), pp. 309–10.

²³ Brownlow Committee on Administrative Management, *Report of the Committee, with Studies of Administrative Management in the Federal Government* (Washington, DC: Government Printing Office, 1937).

²⁴ William J.M. Mackenzie and Jack W. Grove, *Central Administration in Britain* (London: Longmans, 1957).

public service rather than the broader sense intended by Sir Norman Brook and the Plowden Committee.²⁵

That broader view of management as the key to better government started to develop in local government in the 1960s and 1970s,²⁶ but only emerged in full-blown form at central government level in the 1980s, reaching a point that led Christopher Pollitt to characterize it as a dominant ideology of the public services in the UK and the USA at that time.²⁷ This era culminated with a senior civil servant (Sir Peter Kemp) directing a programme of ‘agencification’ in the civil service in the late 1980s and early 1990s, who refused even to use the word ‘administration’ rather than ‘management’ for any part of the conduct of executive government. Such individuals clearly had very high expectations of what a new managerial approach to make a big difference to how government operated. Three decades later, what can we say about the observable results?

1.2.2 *Salvation Through Information Technology*

Fifteen years or so ago, Helen Margetts observed,

Information technology has been heralded as a new fairy godmother for government. Politicians in the 1990s compete to associate themselves with the magical effects of her wand, which they claim will wave in the new age of government and an end to the ills of administration . . . Politicians’ speeches [in the USA and UK at this time] were peppered with the words ‘new,’ ‘modern,’ and dazzling images of the twenty-first century.²⁸

Margetts pointed out that such soaring rhetoric, implying that the IT revolution would transform bureaucracy in politically desired directions (making government more flexible, more intelligent, more accountable, and providing new standards of customer service), picked up on portentous claims from management gurus and futurologists in an earlier era, such as Daniel Bell and Alvin Toffler, about the power of new technologies to radically reshape society and organizations.²⁹

The US 1993 National Performance Review, mentioned earlier, is a clear example of what Margetts was referring to. US Vice-President Al Gore’s

²⁵ Desmond Keeling, *Management in Government* (London: George Allen and Unwin, 1972), pp. 18–20.

²⁶ See for example Jeffrey Stanyer, *Understanding Local Government* (Glasgow: Fontana/Collins, 1976), pp. 234–63.

²⁷ Christopher Pollitt, *Managerialism and the Public Services: The Anglo-American Experience* (Oxford: Blackwell, 1990), p. vi.

²⁸ Helen Z. Margetts, *Information Technology in Government: Britain and America* (London: Routledge, 1999), pp. xiii–xiv.

²⁹ Margetts, *Information Technology*, pp. xiv–xv.

preface to that document declared with utter confidence, 'As everyone knows, the computer revolution allows us to do things faster and more cheaply than we ever have before . . . ' and referred to an impressive number of billions of dollars' worth of projected savings arising from new IT in the federal government.³⁰ Later in the review document it was said that 'opportunities abound for cutting operating costs by using telecommunications technologies', but also claimed that far more than just cost-cutting could be achieved. The report envisaged far better service to users and citizens through digital technologies than through old-fashioned paper-based bureaucracy, with all its accompanying frustrations: 'With computers and telecommunications . . . we can design a customer-driven electronic government that operates in ways that, 10 years ago, the most visionary planner could not have imagined.'³¹

Nor was it just such purple passages from politicians that conveyed expectations and beliefs about the power of IT developments to cut costs and improve customer service in government. For example, in the mid-1980s, the UK department then responsible for collecting direct taxes (the Inland Revenue, which merged with the Customs and Excise Department twenty years later) introduced a long-awaited new computer system for the PAYE (Pay as You Earn) withholding system,³² which it described as 'a massive project that will bring large savings in our administrative costs' and added that it would enable a move from a manual system that 'both our staff and "customers" have increasingly come to regard as antiquated, to one more in keeping with modern business methods . . . '³³ Fifteen years or so later, a controversial new mega-contract for outsourcing the department's entire IT operations to the data-processing firm EDS (Electronic Data Systems) was announced, with the claim that 'Information technology unit cost reductions of 15–20 per cent are anticipated over the [ten year] life span of the contract',³⁴ which in money terms was expected to lead to savings of hundreds of millions of pounds.³⁵ Again, decades later, what can be said about the outcome of such developments, from which so much was claimed and expected?

³⁰ Gore, *From Red Tape to Results*, p. iv.

³¹ Gore, pp. 114 and 112, respectively.

³² That system, originally introduced during the Second World War, involves employers deducting income tax according to a code issued by the tax department, before paying employees' wages or salaries, and then paying the money to government, usually with a small delay that enables employers to earn a 'turn' on the money in return for their costs.

³³ *Report of the Commissioners of Her Majesty's Inland Revenue for the year ended 31st December 1983* (Cmnd 9305, 1984), p. 1.

³⁴ *Report of the Commissioners of Her Majesty's Inland Revenue for the year ending 31st March 1997* (Cm 3771, 1998), p. 28.

³⁵ *Report of the Commissioners of Her Majesty's Inland Revenue for the year ending 31st March 1999* (Cm 4477, 1999), p. 31.

1.2.3 On Message: Controlling the Story

At the 1993 launch of the ‘... *Works Better and Costs Less*’ report mentioned above, it is reported that, after making his opening speech, Vice-President Al Gore turned the meeting over to a motivational consultant (John Daly) who stressed that optimism and effective communication were key to the success of the programme, declared that ‘it doesn’t matter how good you really are but *how you communicate how good you are*’ [our emphasis], proceeded to discuss customer strategies used by the Disney company, and indeed concluded in that spirit by leading the assembled company in the ‘off to work we go’ song from *Snow White and Seven Dwarfs*.³⁶ And that introduces another element of change affecting government over the last thirty years or so, namely claims about how much can be achieved by new presentational techniques, improved ‘framing’ and tighter control of corporate ‘messages’.

The word ‘spin doctor’ is said to have been coined in the 1970s by the Canadian-American novelist Saul Bellow,³⁷ although of course the phenomenon of ‘message control’ goes back long before that. For example, propaganda (both of the overt variety and the ‘black’ or disavowable kind) was a major activity of UK central government in both of the twentieth-century world wars. Indeed, the UK is said to have had a rather larger information and propaganda ministry during the Second World War than did Nazi Germany,³⁸ but again it was reined back after that war to a more modest and relatively neutral role.

However, powerful claims came to be made from the late 1950s about the new power of advertising, based on improved understanding of human psychology and linked with increased ability of pollsters to gauge public moods and sensitivities.³⁹ That percolated into party politics, with the rise of private polling and associated message control, as parties developed methods of fine-grained polling to target and craft policies for key swing voters,⁴⁰ and started to shape the conduct of executive government as well, as presentation, media control, and branding received more emphasis and their practitioners acquired more authority. By the 1990s, ‘spin’ became a central theme

³⁶ Ronald C. Moe, ‘The “Reinventing Government” Exercise: Misinterpreting the Problem, Misjudging the Consequences’, *Public Administration Review* 54, no. 2 (1994): p. 111.

³⁷ Frank Esser, ‘Spin Doctor’ in *The International Encyclopedia of Communication*, edited by Wolfgang Donsbach (London: Wiley Blackwell, 2008), pp. 4783–7, says ‘[Saul Bellow] spoke in his 1977 Jefferson Lecture about political actors “capturing the presidency itself with the aid of spin doctors”’.

³⁸ Sir Bernard Ingham, *The Wages of Spin* (London: John Murray, 2003), p. 40.

³⁹ See for example Vance O. Packard and Mark C. Miller, *The Hidden Persuaders* (New York: Pocket Books, 1957) and James A.C. Brown, *Techniques of Persuasion: From Propaganda to Brainwashing* (Harmondsworth: Penguin Books, 1963).

⁴⁰ See for example Stephen Mills, *The New Machine Men: Polls and Persuasion in Australian Politics* (Ringwood, VIC: Penguin, 1986).