

Better Government

The current system of government in the UK is failing because it is fatally flawed. The system needs changing - regardless of the party in power - to prevent the UK from becoming a third-rate country. This paper deals with the structure of government not the ideologies of political parties.

The current system of government is failing the nation

Successive governments have increasingly taken responsibility away from civil society and local government, and centralised it in the hands of about 20 ministers. Compared with 1900, politicians have increased:

- the share of national income they control from 12% to 40%;¹
- the number of people they employ from 6% to 35% of the workforce;² and
- the number of pages of Acts and Regulations passed each year from 1,124 to 72,400.³

page Ministers now have impossible jobs. An objective appraisal of the performance of successive governments shows that ministers have failed:

- 2 - to provide good quality services at reasonable costs;
- 6 - to improve the quality of life of citizens; and
- 7 - to serve the poor and the disadvantaged.

The fundamental causes of failure

This failure, regardless of which party has been in power, is caused by fundamental flaws in the structure of government:

- 8 - government is a conglomerate of monopoly services managed by politicians and civil servants, who lack the necessary management experience and the subject knowledge;
- 11 - as a result they break the basic rules of management.
- 13 The centralisation of power and the failure of politicians to perform pose a very real threat to democracy.

The principles of reform

15 There are six basic principles that need to be applied to the restructuring of government in the United Kingdom. The first one is that politicians must acknowledge that the current system is failing and recognise their own limitations as managers.

- 20 Applying these principles works in practice and should provide:
- *politicians* with more fulfilling roles;
 - *government domains* with more knowledgeable, experienced and stable leadership, and a 100% increase in output per person;
 - *citizens* with higher quality services, greater control over their lives and incomes, and a substantial reduction in the burden of government.

The Performance of Politicians

The performance of British politicians and civil servants as *providers of services, in improving the quality of life and in helping the poor and disadvantaged*, compares poorly with comparable developed economies.

Politicians' performance as providers of services

Education

The inability of politicians to provide a high standard of education is jeopardising the future well-being and prosperity of the country. It is condemning a large section of the population to low-paid manual work with little opportunity for upward mobility, and depriving the country of the highly-qualified people it needs to compete with lower-cost developing countries. The politically-managed state education system is failing children at every stage. For example:

- 11 year-olds: 25% leave primary school without sufficient ability in reading and writing to tackle the secondary school curriculum.⁴
- 14 year-olds: almost 30% do not reach the expected levels in English, Maths and Science to tackle GCSEs.⁵
- 16 year-olds: almost 60% do not achieve a GCSE grade C or better in all the three core subjects of English, Maths and Science.⁶
- After 11 years of state education at a cost of over £75,000 per child, pupils are leaving school functionally illiterate, innumerate and unskilled:
 - 40% do not achieve at least a C grade in GCSE English.⁷ Some seven million adults in England cannot locate the page number for plumbers in an alphabetical index to the Yellow Pages.⁸
 - 47% would be unable to achieve a grade G at GCSE maths.⁹
 - The OECD finds that Britain has the second highest level of low-skilled 25-34 year olds in the 30 countries of the OECD – twice the level of Germany or the USA.¹⁰

In fact it will be increasingly hard for the country to operate effectively, when at present:

- The average attainment of prospective teachers entering a B.Ed course is less than three grade Cs at GCE A-level.¹¹
- 52% of would-be prison officers failed a simple literacy and numeracy test.¹²
- 33% of nurses completing their training failed to achieve the 60% pass rate in basic English and Maths tests, despite having GCSEs in these subjects.¹³

Typical questions for the nurses included:

- *How many minutes are there in half an hour?*
a 15 b 20 c 30 d 45
- *Which of the following times is the same as 8pm?*
a 1800hrs b 1900hrs c 2000hrs d 2100hrs
- *What is the correct decimal nomination for six hundred and fifty pence?*
a 605p b £6.50 c £65.0 d £6.05

This is our politicians' most damaging legacy.

Health Care

The National Health Service spending on health care has reached the OECD average of 8.9% of GDP.¹⁴ However reports by the National Audit Office, The British Medical Journal and the European Union rank the healthcare provided by the NHS as just about the worst amongst 19 developed countries.

Quality of Health Care

- The British Medical Journal ranked the NHS one from bottom on the quality of healthcare provided.¹⁵ →

Survival Rates

- The British Medical Journal ranked the NHS bottom on mortality amenable to health care.¹⁶

Hospital Acquired Infections

- The National Audit Office in 2000 ranked the NHS the worst on hospital acquired infections.¹⁷ It estimated that at least 100,000 patients are affected resulting in at least 5,000 patient deaths a year.¹⁸
- A recent EU study found that NHS patients are up to 40 times more likely than other Europeans to contract infections in hospital.¹⁹

And the list goes on. The NHS, managed by politicians and civil servants, has amongst the longest waiting lists, the lowest cancer and stroke survival rates...

Performance of Healthcare System Ranking by BMJ

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

Law and Order

The enforcement of law and order is essential for the effective working and well-being of society. Robert Peel stated in 1834 that the performance of the police force should be judged by the absence of crime. On this basis, the performance of politicians, who manage policing in Britain, is abysmal.

Crime has increased dramatically

- The number of recorded crimes a year in the UK has increased by a factor of 10 between 1950 and 1997 (when counting measures are comparable) from under half a million to over 4.5 million.²⁰
- The last International Crime Victim Survey in 2000 showed that, out of seventeen industrialised countries, the UK has the second highest victimisation rate.²¹
- The 2003 European Sourcebook of Crime found that England and Wales have the third highest crime rate of 39 countries worldwide.²² →

The vast majority of crimes go undetected and unpunished

- Where 100% represents the total number of offences committed:
 - 45.2% are reported,
 - 24.3% are recorded by the police,
 - 5.5% are cleared up by the police,
 - 3.0% lead to a caution or a conviction,
 - 2.2% are convicted by the courts, and
 - 0.3% are given a custodial sentence.²³
- A survey by Scotland Yard revealed that the average time taken by police to process a single arrest is now 10 hours and six minutes.²⁴

The criminal justice system fails to rehabilitate offenders

- The system – the courts, prison, probation – is failing to rehabilitate offenders. Within two years of release from prison, the re-offending rate is:
 - 82% for teenagers aged 15 – 18,²⁵
 - 78% for young men aged 18 – 21,²⁶
 - 59% for all adults.²⁷

Regardless of the party in power, our public services, managed by politicians, are ineffective and costly.

Countries with the highest rates of crime

| | |
|-------------------|----|
| Sweden | 1 |
| New Zealand | 2 |
| England and Wales | 3 |
| Denmark | 4 |
| Scotland | 5 |
| Northern Ireland | 6 |
| Belgium | 7 |
| Canada | 8 |
| Germany | 9 |
| Netherlands | 10 |
| Australia | 11 |
| Norway | 12 |
| Finland | 13 |
| France | 14 |
| Austria | 15 |
| South Africa | 16 |
| Luxembourg | 17 |
| Hungary | 18 |
| Malta | 19 |
| Estonia | 20 |
| USA | 21 |
| Greece | 22 |
| Slovenia | 23 |
| Switzerland | 24 |
| Italy | 25 |
| Poland | 26 |
| Portugal | 27 |
| Czech Republic | 28 |
| Spain | 29 |
| Lithuania | 30 |
| Ireland | 31 |
| Japan | 32 |
| Latvia | 33 |
| Russia | 34 |
| Bulgaria | 35 |
| Slovakia | 36 |
| Romania | 37 |
| Turkey | 38 |
| Cyprus | 39 |

Politicians' performance in improving the quality of life

Britain has become a less cohesive, less caring, less respectful and less self-disciplined society. The breakdown of the stabilising influence of the family and the community has led to an alarming increase in violent crime, sexually transmitted diseases, teenage pregnancy and drug and alcohol abuse.

Children do best when they are brought up by two parents. Married parents stay together five times as long as co-habiting parents.²⁸ Yet politicians have made divorce easy and encouraged couples, through the tax system, to live apart, whereby an average family could be up to £12,000 a year better off.²⁹

The result is that of the core 15 EU countries the UK has:

the highest rate of:

- divorce – 60% above the EU average,³⁰
- teenage pregnancy – treble the EU average,³¹
- child drug abuse – double the EU average.³²

the second highest rate of:

- single parenthood – double the EU average,³³
- violent crime – two and a half times the EU average.³⁴

the third highest rate of:

- overall crime – almost 50% higher than the EU average.³⁵

the UK is ranked 21 out of the 25 enlarged EU countries

- on child wellbeing, in a 2006 York University study. On every indicator of bad behaviour – drugs, drink, violence, promiscuity – our youth was amongst the worst. Only Latvia, Estonia, Lithuania and Slovakia fared worse.³⁶

Far from improving the quality of life

- politicians have contributed to Britain being a worse place to live than it was 20 years ago, according to almost half the people polled for BBC1.³⁷

Politicians' performance in helping the poor and disadvantaged

Public services fail the very people they are designed to help. The poor and the disadvantaged experience the worst education, the poorest healthcare and the highest levels of crime. One of the Prime Minister's former most senior advisors, Professor Julian Le Grand, has admitted that "*the strategy of equality through public provision has failed*".³⁸

Education

- The worst primary schools are exclusively in deprived areas. More than 50% of their 11 year-olds fail to achieve the required level in English compared with the national average of 25%.³⁹
- Only 26% of pupils eligible for free school meals achieve five or more GCSEs at grades A* - C, compared with 56% of pupils who are not eligible.⁴⁰
- 75% of children leaving care have no educational qualifications. Within two years half will be unemployed, a third mothers or pregnant, and a fifth homeless.⁴¹

Healthcare

- The Prime Minister has admitted that the UK has a "*deeply unequal*" healthcare system, where the poorest too often receive the worst service.⁴²
- The Department of Health also acknowledges the scale of inequity. "*Despite improvements, the gap in health outcomes between those at the top and bottom ends of the social scale remains large and in some areas continues to widen. These inequalities mean poorer health, reduced quality of life and early death for many people.*"⁴³

Crime

The British Crime Survey, shows that the risk of burglary is 63% higher than the national average for those with incomes below £5,000 pa, 74% higher for the unemployed and 148% higher for single-parent families.⁴⁴

Dependent not Self-Reliant

Instead of helping people to gain the confidence and fulfilment that comes from controlling their own lives, politicians have made more people dependent on state handouts. Households' disposable income has almost quadrupled in real terms over the last 50 years,⁴⁵ yet the number of people of working age living solely off state benefits has more than trebled from 1.6 million to over 5 million today.⁴⁶

The Fundamental Causes of Failure

The basic reasons why government is failing the nation are systemic. Government is a conglomerate of monopoly services, managed by politicians who lack the management experience and the knowledge to run complex organisations.

Reports by Demos, IPPR and Reform show that most of the statements below apply to civil servants, as well as national and local politicians.⁴⁷

Government is a conglomerate

Government is a very large, very diverse conglomerate covering innumerable areas of expertise – agriculture, broadcasting, defence, child welfare, employment, energy, pensions, policing, prisons, sports, taxation. It is the size of, but more diverse, than these companies combined.⁴⁸ →

Only a few people such as Arnold Weinstock of GEC, Owen Green of BTR, and James Hanson of Hanson Trust, have run successful conglomerates, but no conglomerate since the war has survived intact for more than five years after the retirement of the person who provided the driving force behind it. No one person could understand the needs of the customers, nor the means of satisfying them, for such a complex array of services that are currently managed by politicians. *The only reason government has survived, however poor the result, is because it provides protected monopoly services.*

Managed by politicians

Politicians have inherited an impossible task in attempting to manage this huge and diverse conglomerate. They have virtually no management experience, no in-depth knowledge of the field they are managing, and ministers are in the post for too short a time.

Politicians lack management experience

Politicians have little or no management experience. Typically their experience is as lawyers, teachers or professional politicians. Yet when they become Secretaries of State, through the doctrine of ministerial responsibility, they assume the role of chief executive.

It is unthinkable that Barclays Bank, ICI or Rolls Royce would recruit a chief executive who had no management experience. *Yet this is the current system of government.*

Companies

- Tesco
- Vodafone
- Legal & General
- Unilever
- HBOS
- Prudential
- Barclays
- Glaxo
- BT
- Centrica
- Lloyds TSB
- J Sainsbury
- BHP Billiton
- Anglo American
- Milton Group
- Astra Zeneca
- Old Mutual
- BAT
- BAE Systems
- Royal & Sun Alliance
- National Grid
- Marks & Spencer
- Scottish Power
- O2
- Diageo
- Rio Tinto
- SABMiller
- Carnival
- Friends Provident
- Standard Chartered
- BG Group
- Reckitt & Colman
- Northern Rock
- Alliance & Leicester
- Bradford & Bingley
- Total Sales £486 bn**
- Govt Exp £523 bn**

Politicians lack subject knowledge

Ministers have little or no knowledge of the areas for which they are responsible. John Reid, for example, when appointed Secretary of State for Health, publicly said “I am a novice in this field”. Yet he was responsible for the health care of the nation and the third largest organisation in the world.

Ministers are called upon to make decisions on topics on which they have no knowledge. Sufficient knowledge is vital to decide between two contradictory sets of advice, or to know when the wrong advice is being given by both advisors; to paraphrase Machiavelli, a person who is not himself knowledgeable cannot be knowledgeably advised.

Again it is unthinkable that Asda, Next or Halfords would hire a chief executive who did not have a wealth of retail knowledge and experience. *Yet this is the system of government.*

Ministers are in their posts for too short a time

Progress is made by quantum leaps in conceptual thinking followed by many years of evolution. Henry Ford, for example, had the concept of a “car for the multitude” in 1907. This was followed by a hundred years of incremental improvements to give the quality, performance and reliability of today’s cars.

The successful evolution of an organisation, as Professor Parkinson has highlighted, is dependant on the longevity of its leader. Continuity of leadership provides stability of vision, management style and time for the build-up of knowledge and experience. It is easy to think of successful organisations with long-serving leaders – Microsoft, Tesco, Dixons, British Land – but very difficult to find a successful one where the leadership changes frequently.

Since the war, the average time that a minister has stayed in a post has been under two years. Compare this to Tesco whose Board has 170 years of experience with the company and whose executive directors’ tenure averages 18 years.

It is unthinkable that a company could be successful if it replaced its leader every two years. *Yet this is the system of government.*

Ministers’ roles since 1997

Alan Johnson

Competitiveness
Employment
Relations and Regions
Lifelong Learning
Work and Pensions
Trade and Industry
Education and Skills

Patricia Hewitt

Economic Secretary
at the Treasury
Small Business and
e-Commerce
Trade and Industry
Health

Secretaries of State since 1997 for:

Education

David Blunkett
Estelle Morris
Charles Clarke
Ruth Kelly
Alan Johnson

Health

Frank Dobson
Alan Milburn
John Reid
Patricia Hewitt

Transport

Gavin Strang
John Reid
Helen Liddell
Lord Macdonald
Stephen Byers
Alastair Darling
Douglas Alexander

Protected monopolies

“Competition is a driving force of innovation”. Labour Party Manifesto 2005.

Politicians have established the Competition Commission with a staff of 145 and a budget of £26.2 million as they recognise the detrimental effects of monopolies in every field *except where they manage the services.*

Monopolies are impossible to manage effectively as they have no external performance comparisons, no competition and therefore no threat of customer loss or bankruptcy. It is these external disciplines that provide management with the tools to manage and which drive innovation, improvement and cost reduction. It is competition that has driven the personal computer manufacturers to provide quantum increases in power and choice (PC, laptop, PDA, MP3 player) with quantum reductions in price.

Without these external forces organisations become inward-looking, bureaucratic and, as the table below produced by Professor Parkinson shows, the number of non-frontline staff inevitably grows.

The Admiralty⁴⁹

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

and three quarters of a century later the same picture emerges:

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

Politicians break the basic rules of management

The basic rules are that those who have the knowledge and responsibility for a task must have the authority to manage it in their own way. They should be held accountable by those who are most affected by its outcome.

The degree to which authority is given to managers is in inverse proportion to the number of staff at head office. If individual hospital managers or headteachers have the authority to manage their hospitals or schools then what is the role of the 6,510 staff at the head office of the Department of Health or the 4,680 staff at the DfES?⁵⁰

When responsibility and authority are separated:

- No one can be held accountable. Colin Allen, a former Governor and Inspector of Prisons, could not recall during his 35 years with the Service a single Governor of the UK's then 137 prisons who had ever been dismissed from the Service. Chris Fox, of the Association of Chief Police Officers, could recall only two chief constables out of 43 forces who had been removed during his 25 years in the service.
- Experimentation and innovation, the drivers of progress, are suppressed.
- Personal development, fulfilment and satisfaction are denied. This leads to:
 - staff dissatisfaction – government employees' sickness rate is 30% higher than that in civil society,⁵¹ and the days lost through strikes is almost double;⁵²
 - and a severe shortage of qualified staff in many government areas – teachers, social workers, police officers.

Politicians break the basic rules in their management of almost everything they try to run – local government, the NHS, the police and prison services, families, individuals. Just two examples are given overleaf.

Schools

The head teachers of schools have the responsibility and professional training to educate their pupils. However, they have no authority to decide the curriculum or to select pupils and extremely limited authority to discipline pupils or to reward or dismiss staff. Neither can they manage their budgets as only 59% of it is under the full control of the school without strings attached.⁵³ They are not accountable to parents, but to the DfES.

Parents

Politicians hold parents accountable for the behaviour of their children. In the case of persistent truancy, parents can be fined up to £2,500 or imprisoned for three months. However politicians deny parents the authority:

- to select the school that will best suit their child;
- to discipline their children as they see fit; or
- to decide, or even be informed, as to whether their *under-age* daughter should be given contraceptives or an abortion.

A Real Threat to Democracy

Can our system of government be accurately called democratic when 78% of the electorate did not vote for the current government?

People have long struggled to gain greater control over their own lives

- Economic prosperity over the last 250 years has helped people towards this goal. It has brought almost universal education, greater social and physical mobility, and an end to serfdom in the developed world.
- However, people have not made similar progress in gaining commensurate control on the political front:
 - almost 800 years ago the King ceded power to the barons through Magna Carta;
 - over 300 years ago the King ceded power to Parliament: the English Bill of Rights limited the authority of the sovereign to raise taxes or to declare war without the agreement of Parliament; and
 - almost 100 years ago most adult citizens were enfranchised.

But politicians in their turn, have not ceded power to a better educated and better informed people

- Instead they have taken greater control over people's lives, thus diminishing the role of individuals, families, voluntary organisations and local government. However, politicians have produced poor quality public services; a less cohesive and caring society; and have failed to improve the lives of the poor and disadvantaged.

Yet people feel powerless to influence change

- Politicians do not appear to respect the judgement of the people, who are only allowed to vote for parties, not individual policies. For example, no party over the last 30 years has offered people the opportunity to vote on the most significant political event since the English Bill of Rights of 1689, namely, whether the UK should cede its sovereignty to the European Union.
- People do not see political parties offering radical solutions to the fundamental problems that face the country in education, health care, law and order, pensions, energy or transport, but only tweaks to the existing systems.
- In an ICM Direct poll, 74% of people thought that "Politicians have almost no experience of managing... so whichever party wins, nothing will improve."⁵⁴

And people do not trust politicians.

- A YouGov Poll showed that 75% of electors who had an opinion thought that neither a Labour nor a Conservative government were “honest or trustworthy”.⁵⁵
- A Mintel survey asked people who they considered “*fair*” out of twenty leading professions and organisations. “Politicians” were ranked bottom (4%) along with investment managers. This was even below estate agents (5%) and well below “rip off” banks (29%) and supermarkets (30%).⁵⁶

This is a real threat to democracy as:

- 39% of the electorate (48% for those aged 25 - 34) did not vote in the last general election - twice the level of the 1950s;⁵⁷
- around 70% did not vote in the May 2006 local elections;⁵⁸ and
- 78% of the electorate did not vote for the current government.⁵⁹

The Principles of Reform

The six basic principles which need to be applied to the restructuring of government are set out below.

Politicians must acknowledge reality

- Politicians must acknowledge that they have an important role to play in society but under the current system they have impossible jobs, which no one could perform effectively.

Government should be restructured

The functions of government should be restructured so that:

- Politicians and civil servants are not involved in management and managers are not involved in politics;
- the basic rules of good management are applied; and that
- competition replaces monopolies wherever possible.

Government should conform to the law

- Politicians, civil servants and government departments should conform to the laws that apply to charities and companies, such as having a consistent format and content of Annual Reports, and the verification of announcements.

Society should be protected from exploitation

- Society should be protected from groups of businesses, professionals, employees, politicians and civil servants amassing such power as can be used to exploit other members of society.

Individual help should be given to the poor and the disadvantaged

- The poor and disadvantaged should be helped individually to lead fulfilled lives, and not just be given money.

People should have a meaningful role in decision-making

- The people should have the authority to determine the kind of society they want. They should, therefore, have the right to vote on major policy issues. Politicians should be the servants not the masters of the people.

The Restructuring of Government

The first two phases of reform should be for politicians to acknowledge reality and for the restructuring of the functions of government.

Phase 1: Politicians must acknowledge reality

For reform to take place, politicians must acknowledge:

- **that the current system of government, under both major parties, has failed over the last 50 years**
 - to provide good quality, cost-effective services;
 - to create a safer, more caring and more equal society;
 - to improve the lives of the poor and the disadvantaged;
 - to involve the people in the democratic process;and that radical reform and restructuring are therefore needed.
- **that politicians from any party or civil servants do not have:**
 - the management experience or the subject knowledge to be the leaders of large complex organisations; nor
 - the collective wisdom, knowledge and experience of the 45 million adults in the UK; nor
 - the wisdom to decide how almost 40% of each family's annual income – some £27,570 per household – will be spent.⁶⁰
- **that the role of politicians is to serve the people, not to be their master.**

Phase 2: The restructuring of government functions

The functions performed by government should be restructured to conform to the basic rules of good management. These are:

- Government should only take responsibility for tasks which need to be centrally planned and directed.
- Each task should be the responsibility of one named person. It is individual not collective responsibility that produces results.
- The person must have the relevant knowledge and experience, and be given the authority to manage their tasks their way.
- They should be held accountable by those most affected by the outcome, and rewarded or penalised for over or under performance.
- Monopolies should be replaced by competition wherever possible.

The domains in which government operates fall into three main categories – non-government, administrative and government domains, each of which requires a different approach.

Non-government domains

- Non-government domains do not need central planning, management or control and should therefore be the responsibility of civil society. The domains include, for example, education, health, pensions and insurance against permanent sickness and death.
- The role of politicians should be to set the legislative framework (eg. the time and number of years of compulsory education); provide funding through taxation, either for everyone or only for the less well off; and ensure that funds are not used fraudulently.

Administrative domains

- Administrative domains need to be planned and controlled centrally but the management should be contracted out to harness the expertise and innovation of civil society, and to reduce the areas of monopoly. The domains include the issuing of vehicle and driving licences, the collection of taxes and the management of prisons.
- Politicians and the chief executive should concentrate on setting the outcomes that are needed and accountability, but they should leave the methods of execution of the tasks to the contractors.
- The contractors should be rewarded or penalised for over or under performance against the outcomes.

Government domains

Government domains need to be centrally directed and managed. They are the proper areas for government. The domains include criminal justice, defence and foreign relations.

However, as explained earlier, ministers do not have the management experience, the subject knowledge or sufficient time in a post to be effective 'chief executives'. The restructuring of these domains will result in significant changes in the roles of ministers, politicians and civil servants.

A detailed study, therefore, will need to be undertaken to see how the management of these domains is structured in other democracies.

The principles work in practice

When the basic rules of good management are applied, the results are dramatic. A recent Work Foundation study shows that the average output per person doubled when monopoly status and political management were removed from these organisations.⁶¹ →

- The prize goes to British Coal. In 1994, a workforce one quarter of the size, mined 10% more coal than in 1979.
- The increases in output continue. BT, for example, reduced its 1979 staff levels to 70% by 1994, and to under half by 2005.

The effect on the cost of government

- If only half this increase in output was achieved on a government operational cost of £369 bn (2006 budget of £516 bn, less social security and tax credits of £147 bn),⁶² the savings to the nation would be over £100 bn.

Increase in output per person pre and post de-nationalisation 1979 to 1994

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

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The Rewards of Applying the Principles

If the Principles of Reform are applied, everyone should benefit.

Politicians should benefit

- with more fulfilling roles, where they can make a real contribution.

Government domains should benefit

- with more knowledgeable and experienced leaders, who have the time to evolve and implement long term solutions to today's intractable problems.

The citizens of the United Kingdom should benefit

- with greater fulfilment and satisfaction from having more control over their incomes and their own lives;
- with higher quality and a wider choice of services; and
- with higher economic growth as taxes decrease and people transfer from state employment to the wealth-creating sector.

Author

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Better Government

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