

# ***DRAFT***

## ***The Search for the holy grail – some reflections on 40 years of trying to make government and its systems work for people***

"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 (1992)

### **PART I; the experience and context**

#### **1. Introduction**

#### **2. Coming of age in the 1970s**

#### **3. Strategic Leadership 1975-90**

#### **4. Some Lessons after 20 years**

#### **5. “Nomadic Consultancy” in Transition Countries**

### **PART II; Making Sense of it all**

#### **Annexes**

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July 2009  
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## **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 Scotland 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;
- leading EU projects in Central Europe during the 1990s relating mainly to local and regional systems of government
- leading projects in central Asia and Caucusus for 7 years in the field mainly of reforming central government systems
- extensive reading in the field of public administration reform and of "transitology"

I've had two decades of working in Western Europe (mainly Scotland) and two decades living and working in Central Europe and central Asia. 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.

The paper 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. It draws on the various scribbling I have done trying to make sense of what I was experiencing and reading.

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.

# 1. Introduction

Do not let me hear  
of the wisdom of old men, but rather of their folly,  
their fear of fear and frenzy, their fear of possession,  
of belonging to another, or to others, or to God.  
The only wisdom we can hope to acquire  
is the wisdom of humility: humility is endless.

TS Eliot (East Coker)

## *1.1 Can experience teach?*

This is one these papers which we write in our more mature years – borne of a hope perhaps that our experience has not altogether been in vain or of an illusion that younger people will be interested in what we have to say. Although I am not one of these people who see the new generation as our salvation. We all seem doomed to repeat the mistakes of our forefathers. I used, indeed, to have a poster in my room in the Region. On it, a baby - with the following text in a bubble above its head “If I had my life again, I would make the same mistakes – but earlier”! But I find it interesting to do a more definitive stock-taking at this stage of my life – for example, remembering individuals or writers who were important to me and running a google check on them. And if others enjoy it or find it useful, then that will be a bonus.

I consider myself a fortunate man – given opportunities to take part in the mysteries of governing at an early age and not succumbing to cynicism. Essentially – I suspect – because I’ve played several professional roles<sup>1</sup> since I left university – 17 years teaching (latterly in urban management) overlapping with 22 years of strategic leadership in first local and then regional government; and, finally, 19 years of consultancy to governments and state bodies of the transition countries of central Europe and central Asia. And, in each of these roles, I’ve faced a great conundrum which kept me exploring – in both real and virtual places<sup>2</sup> - questions such as

- what government could do to deal with the large problem of social exclusion;
- a new type of public management more sensitive to citizen needs
- the role of external adviser in countries trying to create pluralist systems

Since 1970 I’ve tried to make sense of the challenges I’ve been involved with by writing about them – relating the various projects to the wider literature in the field – and generally being lucky enough to have the results published. This way I have certain “reality checks” on the way I was seeing and thinking about things along the way.

We have a saying - “Those who can, do – those who can’t, teach”. And it’s certainly true that leaders of organisations do not make good witnesses about the whys and wherefores of the business they’re in. Most political and business autobiographies are shallow and self-serving. Even with the best of intentions, it seems almost impossible for an active executive to distance himself from the events which (s)he’s been involved in to be able to explain properly events – let alone draw out general lessons which can help others.

But, on the other side, can the teachers actually teach? Academic books and articles about the reform of government have churned from the press in ever larger numbers over the last 50 years<sup>3</sup>. Do they tell a convincing story? More to the point, do they actually help the aspiring reformer? Or do they, rather, confuse him and her – whether by style, length or complexity? Indeed, how many of them are actually written to help the reformer – as distinct from making an academic reputation?

And quite a few give the sort of directions an Irishman is famed for giving some tourists who stopped to find the way – “Sure and if were you, I widna start from here!”

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<sup>1</sup> I initially wrote “career” but then realised that I had never seen my work in this way.

<sup>2</sup> Eg a short Fellowship in the USA in 1987 to look at how they were handling large-scale unemployment at a local level; Mondragon in Spain to look at community bank experience

<sup>3</sup> See my annotated bibliography on [www.freewebs.com/publicadminreform/](http://www.freewebs.com/publicadminreform/)

### 1.2 what's the question?

In the first 20 years of my work (in Scotland), my questions related to structures of power in local government – between officials, politicians and community activists. *How could we structure better dialogue to produce results for marginalised groups?* Some of the answers I felt I had by the mid 1990s can be found at section 6 below. I was, however, fighting against the tide in Thatcher Britain – whose agenda for change was rather more brutal. Truth be told, I had some sympathies for her approach<sup>4</sup> – there was too much complacency in the various professions but she did throw the baby out with the bathwater....I sometime say that I was a political refugee – from Thatcher's Britain – since she was emasculating the local government system to which I was committed (if ever critical<sup>5</sup>) and I was happy to accept an invitation in 1990 from the Head of WHO (European Public Health)<sup>6</sup> to help WHO try to build constituencies for reform in public health in the newly-liberated countries of central and east Europe.

In the last 20 years, the questions for me have been even more fundamental – *how to create a language for reform?* I have, since 1991, been living and working in countries where English was a foreign language; and in which there were few shared professional concepts<sup>7</sup>. To those, however, who argued that I could not understand the local context I simply replied that I recognised so well the bureaucratic syndrome from what I had seen and worked through in the West of Scotland in the 1970s. In that sense, my life has been a fight against bureaucracy. My first book was written to throw light on the workings of the new system of Scottish local government in 1976 – it was called “The Search of Democracy”. It's sad that – 30 years on – people seem still to be looking for it!<sup>8</sup>

### 1.3 are the post-modernists right?

Leaving one's country and becoming a nomad certainly helps give a useful sense of perspective. It makes one more aware of context and the extent to which you take things for granted.

It also makes one more conscious of words and language. New words and phrases are invented – purportedly to mark new discoveries. But does it help, for example, that we replaced the language of “deprivation” with that, serially, of “disadvantage”, “marginalisation”, “poverty”, “social exclusion”, “social injustice”, “discrimination”?? The cynic would see the change of language as a device for politicians, civil servants and consultants to escape accountability. If a troubling phenomenon remains or gets larger, something is seriously wrong with the government system – better to pretend that the phenomenon is a new one!

And indeed one wonders from time to time whether the net result of decades of reform has not been simply to give those in power a more effective language to help hold on to that power while changing as little as possible! I have a theory that the more an organisation talks of such things as “transparency”, “accountability” and “effectiveness”, the more secretive, complacent and immoral it is! Emerson put it very succinctly almost a century ago - “The louder he talked of his honour, the faster we counted our spoons!”

One of the presentations I sometimes make to civil servants in transition countries is Rosabeth Kantor's “Ten Rules for stifling innovation”. She developed these in the early 80s when she looked at how large organisations such as General Motors and IBM were coping with the challenge from their new more flexible competitors<sup>9</sup>. After a period of denial, they had realised that their centralised structures were preventing important information from reaching the decision-makers and therefore introduced new participative structures. However the old cultures and mentalities still prevailed and were brilliantly reflected in her Ten Rules -

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<sup>4</sup> Described and analysed by numerous academics eg

<sup>5</sup> Liverpool speech

<sup>6</sup> This on the basis of my involvement in the WHO Healthy Cities network – which gave me opportunities to present the work of the Region

<sup>7</sup> In Azerbaijan, I co-authored in 2004 the first 3 books in the Azeri language about public administration reform.

<sup>8</sup> This may seem to be less than generous – since Scotland, in 1999, eventually gained back its Parliament.....

<sup>9</sup> The Change Masters – corporate entrepreneurs at work (1985)

## 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.

R Kantor

The few evaluations which have been done of administrative reform efforts<sup>10</sup> don't offer much proof of change. Does that mean that post-modernists are correct and that there are no truths – only positions and perceptions<sup>11</sup>? Or that philosophers such as Oakeshott, Popper and others were right to condemn what they called “social engineering” – the tinkering by those who believe that society is like a car engine<sup>12</sup> and can be successfully manipulated by those with the correct policies, skills and structures?

Certainly social science has overreached itself<sup>13</sup> and the humility seen in this verse does express a useful philosophy -

..... 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)

William James seemed to express the same thought when he said “I will act as if what I do makes a difference”.

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<sup>11</sup> Post-modernist PA ref

<sup>12</sup> One of the most useful books for those in the intervention business is Gareth Morgan's Images of Society – useful since it reveals the different metaphors which underpin everyone's thinking about social problems

<sup>13</sup> Stanislaw Andreski had it right when, in 1976, he called social sciences “Sorcery”. Significant that his book is out of print! Hubris is our current weakness!

#### 1.4 The structure of the paper

God (like Kanter) had 10 Commandments – Stephen Covey identified 7 “habits” of effective people. Osborne has 5 strategies for “banishing bureaucracy”<sup>14</sup>. At the other end of the scale Robert Greene has 48 laws of power and Hood and Jackson identified no fewer than 99 different prescriptions and rationales for better public management<sup>15</sup> which have been used over the centuries - each of which has its equally plausible opposite.

The format of prescriptions is evidently a good one – at the very least in disciplining the thoughts of the writer. But seven-ten prescriptions, however, seem to be as many as people can handle.

This paper is a think-piece – I do not know at this stage what do’s and don’ts will emerge from my reflections. For me writing is not initially about communications – but rather organising thought. I think I know something - but it becomes evident during writing that there are gaps and inconsistencies in my thinking. There’s a very wise saying that, “if you want to learn about a subject, write a book about it”. *One of the mistakes I made early on in my life was to think that, if I read enough books, I would absorb knowledge. But first you have the questions.....*

Another thing about writing and books is that it is contextual. At University, I initially found it difficult to read Hobbes “Leviathan” but, when I understood more about the times in which it was written, I became more interested. It’s the same for me about poetry – I wish there were more comments from the poets about the context in which they had written these tight, concentrated stanzas.

That is why, in Part I, I first sketch in the context – not only the particular roles I was playing but the intellectual currents which affected me. I have identified three key stages<sup>16</sup> – the initial encounter with bureaucracy and politics and the shaping of a reform position; the period of “strategic leadership 1974-1991); and “nomadic consultancy” (1991 - the present). The focus for the first 2 stages was a combination of “social exclusion” and “managing change” – at a time when these were not the disciplines they have become. For the final stage, the focus has been more generally that of “building administrative capacity” – of state bodies in “transition countries”. And, again, I was in at the beginning of a venture for which there were not then the writings and tools apparently now available.

For each stage, context and events are described and then some lessons drawn. Generally these are the lessons I felt at the time – as reflected in a piece of writing.

I notice that the text is fairly personal initially – but becomes less so from 1990 when my role changed from being an “insider” to an “outsider”. Although I consider that I have always been a bit of an outsider! I have always been inter-disciplinary – working in no-man’s lands<sup>17</sup>, building bridges - but remember vividly the central European joke about bridges – “in peacetime, horses shit on them - and, in war-time, they get blown up!”

Part I uses the language in which the various issues of social exclusion, community development, managing change, capacity building are normally discussed. Part II tries to see the commonalities of these disparate languages. I remember being puzzled in the 1970s by the separate path education and social work people in the UK took to the discovery of the importance of the social process of learning – with two completely different (and rival) disciplines (community work; and community education) being established.

<sup>14</sup> in Banishing Bureaucracy; the five strategies for reinventing government (Addison 1997)

<sup>15</sup> in Administrative Argument (Aldershot 1991)

<sup>16</sup> There are supposed to be seven stages to life! See also Bridges (Transitions) etc

<sup>17</sup> reticulists

## 2. Coming of age in the 1970s

### 2.1 *Makings of a maverick*

I had absorbed the tremendous critique of British society which the 1960s had presented – for example that our civil service and local government systems were not “fit for purpose”<sup>18</sup>. My university degree in political economy, sociology and politics had given me the arrogance of the iconoclast – although reading of people such as Tony Crosland<sup>19</sup> and Karl Popper<sup>20</sup> had made me an incrementalist rather than the hard leftism which was in fashion – although I was an avid reader of the *New Left Review*<sup>21</sup> and active in the Young Socialist movement.

After University, I worked briefly and unhappily in both the private, central and local government and consultancy sectors until I was appointed Lecturer in social studies at a polytechnic in 1968 – the same year I became a Labour councillor – on a town council which the Liberals had recently taken over. The rump Labour group was a somewhat demoralised and I immediately became its Secretary – thereby skipping the normal “apprenticeship” which new boys normally serve.

1970/71 was a seminal year for me. I took on my first serious public responsibilities – becoming chairman of the Social Work Committee for a poor shipbuilding conurbation of 100,000 people. Scottish legislation had just given social work authorities an invitation to “promote social welfare” – and to do so by engaging the public in more strategic work to deal with the conditions which marginalised low-status and stigmatised groups. And the area I had represented since 1968 on the town council certainly had more than its fair share of such people. An early step I took with my new authority was to institute an annual workshop of community groups to identify and help deal with key problems of the town.

The community groups I worked with were very effective in their various projects concerned with adult education and youth, for example, but *one of the most powerful lessons I learned was how much many professionals in the system disliked such initiative*<sup>22</sup>. It was also quite a shock to realise how suspicious my own Labour colleagues were of the people they were supposed to support! Instead they echoed the reservations and criticisms of the officials. One of the things I was learning was the subtle and often implicit ways those with power made sure they kept control – whether in the formality of language used or in the layout of meetings. One of the most interesting individuals in the UK trying to help community groups was Tony Gibson<sup>23</sup> - who developed simple planning kits to level the playing field. Suspicious even of the community development work we were doing as part of Social Work, I negotiated Rowtree Foundation support for an independent community action project in one of the areas I represented.

### 2.2 *intellectual currents*

The student riots of 1968 may have passed – but the literature which was coming from the anti-poverty programmes<sup>24</sup> on both sides of the Atlantic painted an ugly picture of how systems of public administration treated the poor and marginalised. Books such as Future Shock<sup>25</sup>, Beyond the Stable

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<sup>18</sup> Some of the critique was in book form (eg probably most famous was Michael Shanks’ 1961 The Stagnant Society) but an important element were the Royal Commissions set up by the 1964 Labour Government to look at such problematic areas as Civil Service (known as Fulton after the Lord who chaired it – ditto for other Commissions); Local Government (Redcliffe-Maud in England and Wales; Wheatley in Scotland); Broadcasting (Annan); Industrial Relations (Donovan); Local Government Finance (Layfield); Devolution (Kilbrandon) etc

<sup>19</sup> The Future of Socialism (1956) and The Conservative Enemy (1962)

<sup>20</sup> Although first issues in 1941, it was not until the 1960s that it became well known in UK

<sup>21</sup> [www.newleftreview.org](http://www.newleftreview.org)

<sup>22</sup> Education, police and leisure were the worst offenders – as is clear from the small book about work in one of the communities - View from the Hill by Sheila McKay and Larry Herman (Local Government Research Unit 1970) See David Kortron’s example...page 11 The Great Reckoning (Kumarian Press 2006)

<sup>23</sup> People Power

<sup>24</sup> In UK the more sedate language of “community development” was used.

<sup>25</sup> Alvin and Heideh Toffler (1970)

State<sup>26</sup>; Dilemmas of Social Reform<sup>27</sup> and Deschooling Society<sup>28</sup> were grist to my mill – sketching out, as they did, the massive shift which was underway in organisational structures. Robert Michels “iron law of oligarchy” and Saul Alinsky’s work also made a lot of sense to me! Management theory was beginning to percolate through to us – but in a rather simplistic way. These were the days when Drucker had it all his own way in the bookshops<sup>29</sup>. Better management – in both the public and private sector - was seen as necessary although initially this was seen to come more from coordinating structures rather than new skills or perspectives.

I was in the system – but not part of it – more a fly on the wall. The title of an early paper I wrote – “From corporate planning to community action”<sup>30</sup> reflected the attempt I was making to ride the 2 horses of internal reform and pressure group politics (always uncomfortable!).

*I was beginning to understand how we all play the roles we are given – how the roles are masks we put on (and can take off). A cartoon I had on my wall during university years from the left-wing New Statesman said it very well – it depicted various stern figures of power (judges, generals, headmasters, clergymen etc) and then revealed the very angry and anguished faces beneath.*<sup>31</sup>.

### 3. “Strategic leadership” 1975-90

#### 3.1 new challenge

I supported the reorganisation of local government – which, in 1974, not only literally decimated the number of municipalities<sup>32</sup> but created the massive Strathclyde Region<sup>33</sup>. I had gained visibility from the workshops held by my Local Government Unit on the various management, community and structural challenges and changes facing local government – and this, I think, was the main reason I found myself elected as Secretary of the ruling Labour Group<sup>34</sup> of that Region. And in the same year, a Labour Government returned to power – and was to remain there until 1979.

In the brave new 12 months which followed we set up new-style policy groups to try to produce relevant solutions to the massive socio-economic problems faced by the West of Scotland<sup>35</sup>. In 1975 I gained further prominence by my being one of the contributors to the Red Paper on Scotland edited by Gordon Brown even then being talked about as a future Prime Minister. In that paper<sup>36</sup>, I exposed the

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<sup>26</sup> Donald Schon (1973). This was the book which followed from the 1970 Reith lecture he delivered on BBC. Along with Gaitskell’s defiant Labour Conference speech (of 1961), this was the most riveting piece of media broadcasting I have ever heard.

<sup>27</sup> Marris and Rein (1973)

<sup>28</sup> Ivan Illich

<sup>29</sup> Now, its a real challenge to recommend best buys for (a) understanding organisations and/or (b) challenging and changing them. But I do attempt this – at ???

<sup>30</sup> In the series of ruminations from my local government work I published under the aegis of the Local Government Research Unit which I established at Paisley College of Technology. The most important of these was a small book in 1977 The Search for Democracy – a guide to Scottish local government. This was aimed at the general public and written around 43 questions I found people asking about local government.

<sup>31</sup> Georg Grosz gave these figures (in Weimar Germany) an even more savage treatment – see <http://www.austinkleon.com/2007/12/09/the-drawings-of-george-grosz/>

<sup>32</sup> Changing a 4 tier system of 650 local authorities to a 2 tier system of 65.

<sup>33</sup> Covering half of Scotland’s population and employing staff of 100,000 (we were the Education, Police and Social Work authority)

<sup>34</sup> A position which allowed me to participate in the informal meetings which would decide key issues ahead of the weekly cabinet meetings. This position was voted in 2 yearly elections of Labour councillors – and I held the position successfully for 18 years by virtue of not belonging to any political clique. There were four of us in various key leadership roles and we were known as “the gang of four” – an allusion to the Chinese leadership of that time!

<sup>35</sup> Helped by the work of the West Central Scotland Planning group – but the publication in 1973 of the national study “Born to Fail?” was the catalyst to action.

<sup>36</sup> “The Red paper” was seminal in raising radical political and economic issues about Scottish governance. It appeared in the middle of an active political debate about devolution of powers to a Scottish parliament and questions about how the new Regions would fit with a Scottish parliament. The title of my paper - “What sort of

narrowness of vision of Labour groups controlling then so many Scottish municipalities – and in various lectures to professional associations I challenged the way they treated the public. Ironically, by then, I was part of the leadership which managed the largest collection of professionals in the British Isles!

Influenced by John Stewart of INLOGOV, I became a big critic of the committee basis of local government – accusing it of being a legitimiser of officer control. We developed a more independent tool for policy development - member-officer groups. Being of more analytical than political stock and without leadership ambitions, I saw (and learned from close quarters about) various styles of leadership<sup>37</sup> - both political and administrative. These were the years of “Yes Minister” which exposed the machinations of civil servants in the British political system and I could see the same processes at work in our large Region. I became an early fan of elected mayors which I saw as redressing the balance of power better toward the electorate. *My theory of change in those days was best summed up in the phrase – “pincer-strategy” ie a combination of reformers inside government and pressure from outside might produce change.* All this was before the vast literature on change management....

### 3.2 a strategy for reform

I was lucky (to put it mildly) in having a job as lecturer in liberal studies. The Polytechnic had aspirations to Degree work but this required many years of careful preparations and, for 10 years I was required only to arouse the interest of various diploma students in current affairs. I read widely – particularly in public management - but, particularly from 1975, my full-time job was effectively the political one. And the task into which I threw myself was that of dealing with the problems of “multiple deprivation”<sup>38</sup> which had been vividly exposed in a 1973 national report and which our Council accepted as its prime challenge in 1975 and developed in 1978 into a coherent strategy. It was this strategy I reviewed – with the help of 6 major Community Conferences – and reformulated as the Council’s key policy document - Social Strategy for the 80s.

We were trying to change both an organisational system and a social condition and were very much feeling our way. Social inclusion has now developed a huge literature – but there was little to guide us in those days. I therefore drafted and published reflective pieces about our work, assumptions and learning in various national journals and books<sup>39</sup> – and was heartened with the invitations I received from other local authorities to speak to them. *The lessons I felt we had learned are set out in para 4 below and the experience summarised in more detail in Annex 1.*

The Tavistock Institute also included the Region in a research project on inter-organisational relations and invited me to serve on the steering committee<sup>40</sup>. This encouraged my interest in organisational development. And the dissertation for the policy analysis MSc I took in 1983 was on “organisational learning”. So, in a way, I was already preparing the ground for my subsequent move into consultancy.

### 3.3 Lessons about 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).

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Overgovernment?” – was trying to suggest that a more profound issue was how those with power treated the powerless.

<sup>37</sup> Leadership was all the rage in management books – but the best book, for me, remains The Leaders we deserve Alastair Mant (Blackwell 1985).

<sup>38</sup> Now known as “social exclusion”

<sup>39</sup> The first 2 major articles (10,000 words apiece on multiple deprivation and how to tackle it; and second on the different strands of community development!) appeared in Social Work Today in November 1976 and February 1977 - thanks to the perspective of its new editor Des Wilson whose “Cathy come Home” documentary had exposed the scale of homelessness in UK. In both pieces, I showed the importance of “policy framing”. The second paper was subsequently reproduced in the book Readings in Community Development ed Thomas

<sup>40</sup> The results appeared as

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 in 1978, the Convener died, the tensions led to a rethink of the concept: and all power concentrated in the hands of the Leader.

One of my favourite poems was Brecht's "In Praise of doubt"

Deafened by commends, examined  
For his fitness to fight by bearded doctors, inspected  
By resplendent creatures with golden insignia, admonished  
By solemn clerics who throw at him a book written by God  
Himself  
Instructed  
By impatient schoolmasters, stands the poor man and is told  
That the world is the best of worlds and that the hol  
In the roof of his hovel was planned by God in person  
Truly he finds it hard  
To doubt the world

There are the thoughtless who never doubt  
Their digestion is splendid, their judgement infallible  
They don't believe in the facts, they believe only in themselves  
When it comes to the point  
The facts must go by the board. Their patience with themselves  
Is boundless. To arguments  
They listen with the ear of a police spy.

The thoughtless who never doubt  
Meet the thoughtful who never act  
They doubt, not in order to come to a decision but  
To avoid a decision. Their heads  
They use only for shaking. With anxious faces  
They warn the crews of sinking ships that water is dangerous....

**You who are a leader of men, do not forget  
That you are that because you doubted other leaders  
So allow the led  
Their right to doubt**

### *3.4 the siren call of national politics*

In the early 80s I had a golden chance to be the local MP for my home town. After a hesitant start, I decided I had no desire to have to wait for more than 10 years for an interesting job (and then quickly lose it) – so I pulled out of the race. There were three reasons –

- I already had in Strathclyde Region (half Scotland's population - 100,000 public servants) far more responsibility than junior Ministers.
- The labour party had tuned hard-left and I was expected to oppose Europe and other mad things. Unlike Tony Blair who came in to Parliament at that same time (1983) I was not prepared to defend in public policies I knew to be wrong.
- And that job also put me in close touch with MPs - I could see how the travel and meetings dehumanised them....

All this was confirmed recently reading left-wing MP Chris Mullin's diaries "A View from the Foothills". This demonstrates, in a wry self-deprecating way, the futility of politics. He had been Chairman of one of the investigatory ("Select") Committees of the UK Parliament when he was tempted in 1999 by an offer to become a very junior Minister ("tempted is not quite the right word - since he vacillated about accepting – it was his curiosity, which effectively, "killed the cat"). He set himself 3 very modest targets -eg manage without an official car (!); get some action on a hedge species which was spreading like wildfire (*Leylandii*); and minimise the damage he knew would come from the privatisation of air-traffic control which was on the Department's agenda - and finds himself engaged from the beginning with hilarious fights against having to take a Ministerial car (ironic a left-winger arguing that the car pool is a highly expensive job-creation scheme). He quickly has confirmation of how powerless he is (his Minister cancels his engagements eg with journalists without consultation; he is given badly written speeches; "policy" discussions are shallow; civil servants shifty and scheming for their gongs

### *3.5 Community Business*

In the early 1970s I had spent a lot of time on community development – doing it and reading about it. By the late 1970s and early 1980s, I could let others run with that baton – the Region had set up a Community Development Committee and also “area committees” in all our priority areas which brought community activists, officials and councillors together in a forum for action.

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 when I became its Chairman, 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.

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 ;F 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.

Given how the concept of community enterprise has subsequently developed, I've elaborated the issue further in Annex 2.

## 4. Some lessons after 20 years

### 4.1 *Our work in perspective*

In 1987, I was given a six-week German Marshall Foundation Fellowship to Pittsburgh and Chicago – to look at how they were handling the decline of their manufacturing base. In the conclusion of the report written for the Regional Council<sup>41</sup> I identified nine features of their local development process 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.

### 4.2 *Messages for OECD*

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.

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<sup>41</sup> Taking the Initiative (1988). Richard Rose was at that stage beginning his work on "learning lessons across boundaries of space and time" and interviewed me on my experience.

**"(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<sup>42</sup> 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.

**"(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."

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<sup>42</sup> In her Aquarian Conspiracy (1980)

### 4.3 A more systemic view

Seven years later – and pursuing a new role as consultant in building administrative capacity in transition countries – a short Fellowship with the Urban Studies journal (at the University of Glasgow) gave me the opportunity to place the Strathclyde work in a wider context<sup>43</sup>. I started with -

#### **Six deadly sins in public administration**

- 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)

“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 I drafted in 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

<sup>43</sup> The longer paper from which this is taken can be found in “key papers” (its the third) on my website [www.freewebs.com/publicadminreform/](http://www.freewebs.com/publicadminreform/)

- 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)

## 5. “Nomadic Consultancy” in Transition Countries

### 5.1 *political refugee*

It's not easy to give up a powerful position in such a large organisation which was doing such interesting work – let alone to leave one's country of birth. But that is what I effectively did one bright autumn day in 1990 – when I set sail from Kingston on Hull en route for Copenhagen and what was supposed to be a short spell with the Director of Public Health for the European division of the World Health Organisation. She had invited me to help her identify the opportunities for preventive health work in the newly-liberated countries of East and Central Europe; and so began a series of visits to each of these countries. The 6 weeks turned into 6 months – and basically set me on a new career as consultant. The EU was putting together its programme of technical assistant and I was one of the first consultants to the CzechoSlovak Republic – working with their new local government system. When that work finished in late 1991, I returned to the Region – but only as an interim measure because, by then, I was clear that my time in Scotland was over.

Margaret Thatcher was killing local government<sup>44</sup>. I had left my academic base in 1985 under pressure from students understandably hostile to my absences and had therefore been a full-time regional politician for 5 years. At my age (almost 50), I could not start a new career in Scotland – particularly holding such a high profile public position. Anxiety about my future had, in fact, led me to periods of depression and the breakdown of my marriage. I had, however, used these 5 years to network in Europe<sup>45</sup> – and it was now beginning to pay off. In particular a German colleague recommended me as Director – of all things – of the EC Energy Centre in Prague where I passed a very happy year in 1992. The hypocrisy and exploitation I saw in that position was, however, to lead me to write a very critical paper; send it to the European Parliament and resign from the position. But, on the basis of my CV, other assignments in Romania, Hungary and Slovakia quickly followed. I became more and more critical.

### 5.2 *The blind leading the blind?*

Nobody had ever lived through a triple transformation (Markets, nations, democracy) ever before. People had been writing profusely about the transition from capitalism to communism – but not the other way around. The collapse of communism was a great shock. Few – except the Poles and Hungarians<sup>46</sup> - were at all prepared for it. And understanding such systems change requires a vast array of different intellectual disciplines – and sub-disciplines – and who is trained to make sense of them all<sup>47</sup>? The apparently irreversible trend toward greater and greater specialisation of the social sciences places more power in the hands of technocrats<sup>48</sup> and disables politicians from serious involvement in the discourse of the international bodies whose staff therefore engage in the reconstruction of other country's state systems with no effective challenge – from any source. Strange that these are the very people who preach about accountability and corruption!!!

Those of us who have got involved in these programmes of advising governments in these countries have a real moral challenge. After all, we are daring to advise these countries construct effective organisations – we are employed by organisations supposed to have the expertise in how to put systems together to ensure that appropriate intervention strategies emerge to deal with the organisational and social problems of these countries. We are supposed to have the knowledge and skills to help develop appropriate knowledge and skills in others!

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<sup>44</sup> By three strategies – legal limits on spending; transfer of functions to other sectors; and abolition of municipal bodies. She killed the Greater London Council in 1986; the English counties a bit later – and her successor John Major abolished the Scottish Regions in 1996.

<sup>45</sup> I was one of the British group on the Council of Europe – the Standing Conference for local and regional authorities; member of a IULA research group which produced a book on public participation in 1988; member of the Ricardo Petrella group on ????

<sup>46</sup> who, with other countries admitted in 2004, had experienced these systems earlier in the 20<sup>th</sup> century!

<sup>47</sup> Elster and Offe

<sup>48</sup> JR Saul is one of the few who have tried to expose this – in Voltaire's Bastards

But how many of us can give positive answers to the following 5 questions? -

- Do the organisations which pay us practice what they and we preach on the ground about good organisational principles?
- Does the knowledge and experience we have as individual consultants actually help us identify and implement interventions which fit the context in which we are working?
- Do we have the skills to make that happen?
- What are the bodies which employ consultants doing to explore such questions – and to deal with the deficiencies which I dare to suggest would be revealed?
- Do any of us have a clue about how to turn kleptocratic regimes into systems that recognise the meaning of public service?<sup>49</sup>

These were the questions I posed in a paper I drafted and presented to the 2007 NISPAce Conference. The rest of this para is taken from that paper.

Too many programmes and projects are designed out of context in a high-handed manner (counter to basic principles of organisational consultancy) by highly trained people in highly bureaucratic organisations who have little direct experience of the messy nature of real change. What they produce are the typical products of rationalist mentality – which no amount of tinkering can make more effective.

### 5.3 Three different species of consultants

I've spotted at least three very different schools of operation amongst our colleagues -

- The “**liberal**” perspective can be found in constitutional literature and mainstream political science writing about the workings of liberal democracy – where the “public good” is achieved by free peoples voting in and out politicians who form governments (national and local) - advised by neutral and honest civil servants. Government policies (and reputations) are subject to constant and detailed scrutiny by a large community of pressure groups, researchers and media.
- The “**neo-liberal**” perspective is economic - talks about “state capture” and “rent-seeking” – and advises that the public good is best achieved by the role of the state being minimised and the role of the market and contracts maximised.
- The “**functionalist**” lens is more anthropological – and starts with an attempt to understand who is actually doing what – regardless of whether they are “legitimate” or “effective” players according to the constitutional and economic models which dominate donor thinking. Its interventions are pragmatic – using change management perspectives (Carnall).

An army of economic experts from the second battalion had the bit between the teeth from the privatisation which had swept the world in the 1990s – and was looking for a new challenge! So no humility was on display. They knew what had to be done! And the bodies which employed them (such as the IMF and World Bank) were international and therefore protected from effective challenge – although for those who cared to read the numerous critiques of their work<sup>50</sup>, their record and structure of ways of managing programmes and personnel was highly questionable.

In Central Europe, of course, such bodies had to share the place at the table with the European Union – whose fiefdom this was – and with EBRD. As has been well documented by Santos, however, the EU, however, despite all the vacuous rhetoric of common administrative space<sup>51</sup>, has no intellectual line<sup>52</sup> of its own and simply follows the “intellectual” lead of international bodies such as the World Bank. So even the EU was slow to wake up the significance of a strong and effective machinery of state.

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<sup>49</sup> Anti-corruption strategies have, of course, become very fashionable in the international community – but seem to me a good example of a mechanism which serves the interests of donors (jobs) and beneficiary countries who have such strategies wished upon them. For the latter it gives the pretence of action and also fits with the traditional culture of rhetorical exhortation.

<sup>50</sup> the critiques are too numerous to mention – starting from Susan George and Fabrizio Sabelli [Faith and Credit - the World Bank's Secular Empire](#) (Penguin 1994) through to [Reinventing the World Bank](#) (Ithaca 2002). See also article “Our poverty is a world full of dreams; reforming the World Bank” by Catherine Weaver and Ralf Leiteritz in [Global Governance: a review of multilateralism and international organisations](#)

<sup>51</sup> see paper in SIGMA series

<sup>52</sup> It is quite scandalous, given the scale of money spent by the EU on the topic, that the EU has no lead experts exercising any leadership or quality control over, for example, the ToR drafted in this field.

When it did, accession was the name of the game and legitimised a rather “imperial” approach to public administration reform – with accession countries required to learn the *Acquis Commaunitais*<sup>53</sup> and annual report cards. EU “experts” (of varying background and levels of expertise) found themselves working on programmes restructuring Ministries and helping introduce and implement civil service laws. Others in civil service training. But far too quickly the EU decided to make accession (rather than development) the driving force of its technical assistance. At that stage it was patently obvious to those who knew countries such as Romania and Slovakia that the culture of patronage and corruption was so deeply embedded in these systems that Ministry twinning<sup>54</sup> was no answer. But we were only experts in the field – employed by companies on contract to the EU – mercenaries. And who listens to mercenaries? And yet the management theory of the time was preaching the importance of the bosses listening to the views of their workers in the field. But such a view is and remains anathema to the elite culture of the Commission<sup>55</sup>.

Further afield in Russia and Central Asia, the Washington consensus had full rein. And what a disaster it has been<sup>56</sup>! Initially, of course, there was no talk of administrative reform. The language was functional transfer or, more euphemistically, review. The central state was to be stripped – and its assets transferred ideally to something called the private sector. This line went down well with the apparachtniks who were well placed to benefit – so “local ownership” was clearly in place! As it slowly dawned on these zealots that market transactions did require some element of regularity and legality – otherwise society reverted to banditry – the academics discovered the writings of people like North<sup>57</sup> and Schick and started to allow some experts in to help construct some of the machinery of government which is required to ensure the minimum level of social trust required for economic transactions.

#### 5.4 Some results

State bodies (at all levels) in many transition countries have been regarded by the international community as so contaminated with soviet centralist thinking and corrupt informal coping practices as to be beyond hope. The strategy of international donors during the 1990s to avoid working with or through them. Instead they channelled assistance to building up the private and NGO sectors<sup>58</sup>.

- The privatisation process has been very extensively documented. Different models were followed in different countries – and worked more or less satisfactorily depending on the local context. In much of Central Europe, the process and outcomes were, given the novelty of the process, not excessively contentious<sup>59</sup>. But the selected methods and context in Russia combined to create a criminal class able to buy anything - including elections<sup>60</sup>.
- And most NGOs in transition countries – funded as they are by the international community – are not NGOs as we know them. They have, rather, been a combination of entrepreneurial bodies or fronts to disburse money to causes acceptable to donors.
- In the accession countries, serious efforts at administrative reform only really started in the late 1990s – and still receive very little serious attention in Central Asia. And it is only in the last few years that a real effort has started in Russia to try to build up a civil service system which serves the state rather than its own interests<sup>61</sup>.

#### 5.5 intellectual signposts

The website set up by the World Bank, UNDP and others<sup>62</sup>, although useful, as an introductory tour of some tools for admin reform, tantalises rather than instructs. And the voluminous Manual on PAR produced in 2004

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<sup>53</sup> basic subjects were access to regional funds, project management. For the advanced there were recondite subjects such as comitology

<sup>54</sup> Giving accession countries a civil servant from a matching Ministry in a member country. To such people, giving advice was a novel experience, let alone to countries so different from their own.

<sup>55</sup> Although I was very impressed in the 1980s with the openness of the Delors regime to the views and role of local government

<sup>56</sup> for a definition and history see Gore. For the definitive critique, see Stiglitz.

<sup>57</sup> for a summary see “The Theoretical Core of the new institutionalism” by Ellen Immergut *Politics and Society* vol 26 no 1 March 1998 (available via google scholar)

<sup>58</sup> The various Annual World Bank Reports charted this process of thinking.

<sup>59</sup> this is, of course, a very sweeping statement – with exception in certain countries and sectors. In Bulgaria and Romania the process was highly contentious – and Gatzweiler and Hagedorn, amongst others, argue that land privatisation was highly deficient (in “People, Institutions and Agroecosystems in Transition”).

<sup>60</sup> The most accessible account is Freeland. See also Black and Tarassova

<sup>61</sup> “Hard cases and improving governance; Putin and civil service reform” by Pat Grey (2004)

<sup>62</sup> [www.worldbank.org/publicsector/civilservice](http://www.worldbank.org/publicsector/civilservice)

by the Asian Development Bank<sup>63</sup> – which one would imagine to offer some perspectives on the Asian context - disappoints. A lot of the World Bank papers take a statistical approach to problems and try to identify correlations – presumably because it employs so many people with econometric qualifications and because its mission does not (technically) allow it to get into political matters<sup>64</sup>. However staff such as Shephard have bravely asked critical questions. Nick Manning has been an indefatigable writer prepared to write in an accessible way about his work – and Tony Verheijen’s papers have also been very helpful to those of us in the field as we struggled to make sense of our work.

## 5.6 A-historical approaches

One would have thought that before rushing into transition countries, donors and experts might have asked themselves the basic question about the process by which their own economic and political institutions were constructed. But the economist thinking which was then so rampant has no place for history – only the latest *nostra* and equations. Joon Chang has been one of a few prepared to challenge with proper analysis the facile assumptions of the various economic and political prescriptions which lay inside the advice offered by World Bank advisers<sup>65</sup>.

David’s paper, for example, makes the very correct point that elections themselves are not the defining feature of democracy. The Government system in a democracy is made up of several structures or systems each of which has a distinctive role. It is this **sharing of responsibilities** – in a context of free and open dialogue – which ideally gives democratic systems their strength – particularly in

- Producing and testing ideas
- Checking the abuses of power
- Ensuring public acceptance of the political system – and the decisions which come from it.

The key institutions for a democratic system are -

- A **political executive** - whose members are elected and whose role is to set the policy agenda- that is develop a strategy (and make available the laws and resources) to deal with those issues which it feels need to be addressed.
- A freely elected **legislative Assembly** – whose role is to ensure (i) that the merits of new legislation and policies of the political Executive are critically and openly assessed; (ii) that the performance of government and civil servants is held to account; and (iii) that, by the way these roles are performed, the public develop confidence in the workings of the political system.
- An independent **Judiciary** – which ensures that the rule of Law prevails, that is to say that no-one is able to feel above the law.
- A free **media**; where journalists and people can express their opinions freely and without fear.
- A professional impartial **Civil Service** – whose members have been appointed and promoted by virtue of their technical ability to ensure (i) that the political Executive receives the most competent policy advice; (ii) that the decisions of the executive (approved as necessary by Parliament) are effectively implemented ; and that (iii) public services are well-managed
- The major institutions of Government - **Ministries, Regional structures (Governor and regional offices of Ministries) and various types of Agencies**. These bodies should be structured, staffed and managed in a purposeful manner
- An independent **system of local self-government** – whose leaders are accountable through direct elections to the local population<sup>66</sup>. The staff may or may not be civil servants.
- An active **civil society** – with a rich structure of voluntary associations – able to establish and operate without restriction. Politicians can ignore the general public for some time but, as the last ten years has shown, only for so long! The vitality of civil society – and of the media – creates (and withdraws) the legitimacy of political systems.
- An independent **university** system – which encourages tolerance and diversity

Such a democratic model is, of course, an “ideal-type” – a model which few (if any) countries actually match in all respects. A lot of what the global community preaches as “good practice” in government structures is actually of very recent vintage in their own countries and is still often more rhetoric than actual practice.

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<sup>63</sup> Available on their website

<sup>64</sup> Clearly it does in fact engage in very high politics – but has had to invent a new technical jargon and literature to conceal this.

<sup>65</sup> But I have also recently come across the excellent collection of essays on rule of law programmes by Carothers.

<sup>66</sup> Encouraging a strong and free system of local self-government is perhaps the most difficult part of the transition process – since it means allowing forces of opposition to have a power base. But it is the way to develop public confidence in government!

Of course public appointments, for example, should be taken on merit – and not on the basis of ethnic or religious networks. But Belgium and Netherlands, to name but two European examples, have a formal structure of government based, until very recently, on religious and ethnic divisions<sup>67</sup>. In those cases a system which is otherwise rule-based and transparent has had minor adjustments made to take account of strong social realities and ensure consensus.

But in the case of countries such as Northern Ireland (until very recently), the form and rhetoric of objective administration in the public good has been completely undermined by religious divisions. All public goods (eg housing and appointments) were made in favour of Protestants.

The Italian system has for decades been notorious for the systemic abuse of the machinery of the state by various powerful groups – with eventually the Mafia itself clearly controlling some key parts of it<sup>68</sup>. American influence played a powerful part in this in the post-war period – but the collapse of communism removed that influence and allowed the Italians to have a serious attempt at reforming the system – until Berlusconi intervened.

These are well-known cases – but the more we look, the more we find that countries which have long boasted of their fair and objective public administration systems have in fact suffered serious intrusions by sectional interests. The British and French indeed have invented words to describe the informal systems which has perverted the apparent neutrality of their public administration – “the old boy network”<sup>69</sup> and “pantouflage” of “ENArques”<sup>70</sup>. Too much of the commentary on Central Europe and Central Asia seems oblivious to this history and these realities – and imagines that a mixture of persuasive rhetoric and arm-twisting will lead to significant changes here. The result is inappropriate mechanisms and an alienated and offended beneficiary.

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<sup>67</sup> In each of Belgium’s 3 Regions has a both an executive and a “community” structure – with the latter reflecting ethnic issues. Netherlands has long had its “Pillars” which ensured that the main religious forces had their say in nominations and decisions. This has now weakened.

<sup>68</sup> There is a voluminous literature on this – the most lively is Peter Robb’s *Midnight in Sicily* (Harvill Press 1996). For an update, read *Berlusconi’s Shadow – crime, justice and the pursuit of power* by David Lane (Penguin 2005)

<sup>69</sup> published critiques of the narrow circles from which business and political leaders were drawn started in the early 1960s – but only Margaret Thatcher’s rule of the 1980s really broke the power of this elite and created a meritocracy

<sup>70</sup> business, political and Civil service leaders have overwhelmingly passed through the Ecole Nationale d’Administration (ENA) and have moved easily from a top position in the Civil Service to political leadership to business leadership.

## PART II **Trying to make sense of it all**

"There are four sorts of worthwhile learning - learning about

- oneself
- learning about things
- learning how others see us
- learning how we see others"

E. Schumacher (author of "Small is Beautiful")

### *6. 1 Where to invest our energies?*

People like me have a certain arrogance! We imagine that we have insights or skills which make us different! And worthy of being listened to. The question is which forum?

- The political arena?
- The book or magazine article?
- Consultant report?
- Mass media?
- Class and Training rooms?
- friendships?
- Example – being good

My own learning background is economic and political science; then a lecturer in these subjects and a political bureaucrat in a large public organisation; and, for the last 15 years, a consultant. And I had a Presbyterian upbringing. So for most of my life, I have believed that reason ruled the world – whether individual or the wider formal purpose of the organisation. Organisational failures I attributed to inappropriate structures or management skills or leaders with lack of clarity or selfish motives. The guidebooks I read (and written) took little account of the irrationality and emotional confusion of managers – and the effect of their interactions on organisational health and achievement. Neglecting one's psyche is dangerous – and I paid the price for that neglect for a few years.

That is when I came to know myself better – and started to value relationships more and to read books about personal development. Significantly just at the time when they were inventing the phrase "emotional intelligence"! In Tashkent I first started to use a book on "Behaviour in organisations"<sup>71</sup> I had bought in a second-hand sale in Brussels years earlier. And realised how useful Belbin and strategic thinking exercises<sup>72</sup> were in making us understand that we all look at the world – and think about it – in different ways<sup>73</sup>. Up until then I had focussed on more abstract things. Of course understanding the world requires an appreciation of both social and psychological sciences. One should not be forced to choose between them. But, sadly, as in the last century, knowledge has become more and more specialised, that is what precisely everyone has been forced to do. Even in medicine, few doctors have been trained in the psychological aspects of their patients and work. They see them as (admittedly wondrous) physical systems.

My reading in the 1990s was very managerial<sup>74</sup> – catching up with a side I had missed in the 1980s when I was focussing on poverty and community development issues. And, obviously, trying to come to terms with transition issues. My reading has, in recent years, been more historical<sup>75</sup> and cultural<sup>76</sup> – trying to understand the context to the sorts of countries I've been living in. And also behavioural – what can we do to make people more –

- Proactive?

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73 G. Morgan's *Images of Organisation* was the first book I read with this exciting perspective

74 see the annotated bibliographical list in "key papers" - [www.freewebs.com/publicadminreform/](http://www.freewebs.com/publicadminreform/)

75

76

- Innovative?
- Motivated?
- Cooperative with one another?
- Public-spirited?

The answers are various eg change -

- Institutional systems
- Managerial systems
- Culture systems
- Their self-awareness
- Our own behaviour

### 6.2 *the problem of evil*

Public admin books are rationalistic – they say nothing about the **evil** perpetrated by our organisations<sup>77</sup>. And that evil is most vividly seen in Robert Fisk’s massive, thoughtful and humanistic portrayal<sup>78</sup> of the killing fields of the middle east, brought on by the thoughtless and arrogant interventions over the past century of Britain, France and America in such areas we now know as Syria, Israel, Palestine, Iraq and Iran. Its 1300 pages are a modern “War and Peace” – and can be put down only long enough to rest one’s arms from the weight of the book! I’ve tried before to understand the history and events of this area – but the previous books have clinically recited events and dates and referred in a few cliches only to the horror of those events. The only individuals who figure in these other books are the leaders – but this book portrays both the victims of the slaughter and their families and also those in the Western bureaucracies – both private and public – who make the slaughter possible. Their words are closely analysed – and their actions held to account in a relentless way which restores one faith in journalism. The book’s theme of our lack of historical perspective is echoed in a much shorter book first published in 2003 by Karl Meyer<sup>79</sup> - but Fisk’s book is interlaced with powerful references to his father and others who fought in these same places at the beginning of the 20<sup>th</sup> Century. This is the book which should be required reading for students of government and leaders alike – and the subject of discussion on all book clubs. It is writing and humanity at its highest level. It is, after all, individuals who take – or collude in - Government decisions and it is rare to come across this level of research about both the consistency of decisions and their PR defence. Words...

But its there too in another book about France I’m reading “On the Brink”<sup>80</sup> – which itemises the corruption in their political and admin system. And that’s before we get to Italy<sup>81</sup> and America<sup>82</sup>. In Kyrgyzstan the state has almost broken down – and arguably too in Romania<sup>83</sup> and Bulgaria – let alone the Balkans<sup>84</sup>.

These are the realities – and yet the World Bank and the other international institutions churn out stuff which shows no regard for this – except vague talk of “corruption”<sup>85</sup>.

And my own folks in Europe live a protected yet fearful life. Noone has a clue what to do!

Just as model of private competition assumes perfect knowledge and rationality etc so public admin theory (such as it is) assumes good ?????

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<sup>77</sup>

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<sup>79</sup> The Dust of Empire (Abacus 2005)

<sup>80</sup>

<sup>81</sup> Berlusconi’s Shadow; David Lane (Penguin 2005)

<sup>82</sup>

<sup>83</sup> Tom Gallagher’s latest book

<sup>84</sup> Paul Stubbs

<sup>85</sup>

Greene's The 48 Laws of Power (Profile Books 1998) A very enjoyable read and such a relief from the manic rhetoric of people such as Tom Peters! This is a politically incorrect book which updates Machiavelli and Dale Carnegie in advising on the acquisition and retention of power. It draws from history rather than management academies to produce 48 highly provocative recommendations which challenge the more consensual approach to management. The laws run like this –

- Never outshine the master
- Never put too much trust in friends; learn how to use enemies
- Conceal your intentions
- Always say less than necessary
- Guard your reputation with your life
- Court attention at all costs
- Get others to do the work, but always take the credit
- Make other people come to you
- Win through your actions, never through argument
- Avoid the unhappy and unlucky
- Keep people dependent on you
- Use selective honesty and generosity to disarm your victims
- When asking for help, appeal to self-interest – never to their mercy or thanks
- Pose as a friend, work as a spy
- Crush your enemy totally
- Use absence to increase respect and honour
- Keep others in suspended terror
- Do not build fortresses
- Seem dumber than you are
- Use the surrender tactic
- Keep your hands clean
- Enter action with boldness
- Make your accomplishments seem effortless
- Control the options
- Think as you like, but behave like the others
- Never appear too perfect

Each law is illustrated with positive and negative examples drawn largely from ancient and medieval history and from fables.

### 6.3 Some schemata

Of course, as we get older, we do tend to go beyond systems and look to the personal. As I have tried to repair the huge deficiencies in my understandings of the personal world, I realise that different books in this field classify behaviour according to such things as -

- age
- gender
- culture
- psychological type
- socio-economic position
- politico religious values

*How different writers try to explain our behaviour -*

<b>Defining Variable</b>	<b>Authors</b>	<b>Classification system</b>	<b>The crude message</b>	<b>The deeper message</b>
<b>1. Age</b>	William Bridges <sup>i</sup> Gail Sheehy <sup>ii</sup> Lessem <sup>iii</sup>	7 stages <sup>iv</sup> ditto	Young and old inhabit different planets	Each stage of life brings its own crisis – which we should see as a learning opportunity
<b>2. Gender</b>	John Gray <sup>v</sup>	2! – represented by Venus and Mars planets	Men and women are from different planets	Happiness requires us to give time and effort to understand and show respect for those we love
<b>3. Culture</b>	Lessem Trompenaars <sup>vi</sup> Huntingdon <sup>vii</sup>	4 - Points of compass ??	Societies will never understand one another	People from different countries value things differently from us.
<b>4. Psychological Type</b>	Jung <sup>viii</sup> Belbin <sup>ix</sup> Strategic type <sup>x</sup>	Introvert - extrovert 9 team roles	We have internal dispositions to behave in very different ways.	The world works because each of us can potentially complement the other. We should not try to mould people in our image
<b>5. Socio-economic position</b>	Maslow  Handy <sup>xi</sup> ?	Hierarchy of need (5 levels)  4 organ types	Those with basic needs are selfish and aggressive	Do not expect those poorer and richer than us to see the world the way we do
<b>6. Values</b>	Etzioni <sup>xii</sup>  McGregor <sup>xiii</sup>		Some of us are kinder than others	What we think will work in society depends on the assumptions we make about people
<b>7. Organisational metaphor</b>	Morgan <sup>xiv</sup>	9 (unconscious) ways we all think about organisations – like a physical body; brain; prison;	Nothing is real! Everything is in our minds!	What we think will work in an organisation depends on the images we have in our mind

That's quite neat!! I've never seen anyone do that before! But where does it get us? One conclusion, perhaps, is that we should be careful of getting into too specialised an area. That's the way universities and the educational system push us – but the great university of life has a completely different and more eclectic attitude.

<b>Explanation</b>	<b>Sustaining force</b>	<b>Force for behavioural change</b>	<b>discipline</b>	
<b>Birth</b>	Genes		Biology	
<b>Nationality</b>	Memory; symbols	Supra-nationalism	Anthropology	
<b>Family upbringing</b>	unconscious	Self-awareness	Psychology	
<b>Gender</b>	Genes; reinforcement	Surgery!		
<b>Psychological type</b>		Self-awareness; understanding	Psychology	
<b>Group membership</b>	Peer pressure	Social norms	Social psychology	
<b>Organisational role</b>	Expectations, norms	Restructuring	Sociology	
<b>Choice</b>	Calculus	Change in costs;	Economics	
<b>Context</b>	Mutual perceptions	Change in perceptions	Social psychology	

## 6.4

Three different questions –

- What works?
- How should it be implemented?
- How should I act?

I can see 3 very different dimensions of activity –

- **Issue-based**; when you spend your time researching, arguing, lobbying on a particular issue – eg global warming
- **Structural**; when you focus rather on the features of the political and administrative system which prevent relevant action being taken – and try to identify and mobilise change around that (which has been my life – see next para)
- **Personal**; when you try rather to understand what it is about individuals which makes them so ineffective in the present situation (what I've been thinking about recently).

Life is rarely about choices – it's much messier – and luck plays a part. But I do think that individuals can and should prepare themselves both to identify and take advantage of the breaks when they come. So often people can't see the opportunities – or don't know what to do when they suddenly present themselves. I've actually developed a theory about this<sup>86</sup>!

Life is a gift – what are we doing with it? A powerful way of thinking about that is to imagine you are at your own funeral – and to ask what would you want people to be saying about you<sup>87</sup>? Deep down, however materialistic and selfish we might be, we all want to be remembered for our care for others – however we might have expressed this, in individual relationships or the work we did.

One of the books I have found so helpful – by a guy called Robert Quinn and with the title – “Change the world; how ordinary people can accomplish extraordinary results”. As its blurb says – “the idea that inner change makes outer change possible has always been part of spiritual and psychological teachings. But not an idea that's generally addressed in leadership and management training. Quinn looks at how leaders such as Christ, Gandhi and Luther King have mobilised people for major change – and suggests that, by using certain principles, change agents (like me) are capable of helping ordinary people to achieve real change. These principles are -

- have a sense of a better system
- Look within – and recognise the hypocritical self
- Transcend fear
- Embody a vision of the common good
- Disturb the system
- Surrender to the emergent system (ie have faith in the power of the group thinking if its given an opportunity to think properly – see the world café movement)
- Entice through moral power

The book is an excellent antidote for those who are still fixated on the expert model of change – those who imagine it can be achieved by “telling”, “forcing” or by participation. Quinn exposes the last for what it normally is (despite the best intentions of those in power) – a form of manipulation – and effectively encourages us, through examples, to have more faith in people. My only reservation about the book is that it does not emphasise enough that such processes require careful structuring and catalysts – for which there are other good books.

basic theory of change –

- Windows of opportunity present themselves<sup>88</sup> - from outside the organization, in pressure from below
- Reformers have to be prepared and available – and able to seize and direct the opportunity
- Others have to have a reason to follow

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<sup>86</sup> I call it opportunistic management

<sup>87</sup> I take this from the book which I try to give the people I work with - “The Seven Habits of Highly Effective People” by Stephen Covey.

<sup>88</sup> Manning's 2002 report for World Bank s at last put this basic fact on their agenda

- the new ways of behaving have to be formalized in new structures

Arguably Poland is a good example of this – Solidarity had been preparing for a decade for the change – which was brilliantly seized. It has been institutionalization which has been more difficult for Poland.

#### 6.5 THE JOURNEY OF REFORM (Excerpt from my 1999 book for central European change agents)

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 became 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).

### **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!

## **ANNEX 1 – Reflections on the Strathclyde Region experience with social exclusion strategy**

In 1998 I got the opportunity to reflect more systematically – Fellowship from Urban Studies journal at my old University of Glasgow.

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.

## Annex 2 Thoughts on Community Business

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 became 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 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).

UK Level since

## ANNEX 3; Some of my scribbling

Learning from Experience; some reflections on how training can help develop administrative capacity  
- 120 pages (EU Phare Sofia, August 2008)

Author of 3 manuals for Kyrgyz local government -

- Training Manual for municipalities; 88 pages (EU Tacis February 2007, Bishkek)
- Building Municipal Capacity in Kyrgyzstan; 148 page booklet (EU Tacis December 2006, Bishkek)
- Draft Roadmap for strengthening Local Government in Kyrgyzstan Republic – 117 pages (EU Tacis Dec 2006, Bishkek)

Co-author of **three books** produced in Azeri and English languages –

- The Search for a civil service model for Azerbaijan – 374 pages (EU Tacis 2004, Baku);
- Public Administration Reform – achievement, problems and perspectives – 393 pages (EU Tacis 2004, Baku)
- Unlocking Human Potential – HRM issues and techniques for the Azerbaijan Civil Service – 463 pages (EU Tacis 2005, Baku)

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iv Shakespeare had such stages (including of inebriation)

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