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TRANSFORMING

THE

'FORDIST'

STATE

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It is one of the central political and economic facts of the current period that existing state administrations and services are in need of major transformation. They have by and large provided better working conditions and basic rates of pay than the private sector. But in other respects there is often little difference in the way workers are treated by public and private employers. Users, too, face delays, over-crowding, and services that at times seem geared to the inflexible formulas of the producers rather than the needs of the users. Private industry celebrates the notion of consumer sovereignty, and certainly the sophistication of modern market research and flexible response does provide a measure of sensitivity to some types of monetary demand. In the public services, by contrast, there is too little experience of any equivalent user sovereignty.

The Crisis of Public-Sector Mass Production

The first key point about the expansion of the post-war welfare state is that it was organized on principles and institutions similar to those of mass production. We could speak of this in terms of the expansion of a 'Fordist' state. Its main features were the following:

1. Mass production of standardized services. The type and level of service were to be common throughout the country. Where services had been administered locally, there was increasing pressure for standardization, put into effect by central guidelines, inspectorates, and in some cases, such as health care, greater central control.

2. Emphasis on economies of scale, leading to larger schools, hospitals, local authorities, and other administrative areas.

3. Administration through multidivisional forms of organization, adopted from the managerial models of large private companies, such as those pioneered by Alfred Sloan of General Motors. We can speak of 'Sloanist' bureaucracies as much as we can of Weberian ones.

4. As in semi-skilled and unskilled manufacturing, people were paid the rate for the job; procedures for settling disputes were highly formal and conducted away from the 'office floor'; white-collar workers could raise their pay by promotion to higher-rated jobs, but the possibilities for blue-collar workers were much narrower.

5. The principles of time economy were also applied to the actual delivery of the service, processing the users to suit the time and balance-sheet requirements of the producer. One example that has been a source of controversy is the increase in induced births in maternity care in order to minimize deliveries on weekends. The use of queues and waiting time to manage fluctuations in demand on capacity is another. Some commentators have talked of a trend towards the 'deskilling' of users in particular state services, such as health.

In 1939 employment in the British public sector was 1.7 million. By 1979 it had risen to 5.6 million. Wherever feasible, the model of public organization followed the above pattern. By the mid-1970s this model was in crisis. A large part of this crisis was quantitative: the financial squeeze caused cutbacks in many services, longer queues, overcrowding, and a fall in quality. For a decade, defensive campaigns against the cuts have sought to restore the level of spending on public services that meet social needs.

But a less evident qualitative crisis has also ocurred in the Fordist state. There have been signs of a reaction against a model of welfare provision that offers a standardized service, regardless of varied needs, and a desire among users for involvement in determining the type of service provided. This reaction is perhaps most evident in local council public housing in Britain, where tenants' widespread do-it-yourself creativity within the home too often runs up against bureaucratic housing departments. Garden walls built by tenants had to come down after being seen by officials; internal walls between kitchen and living room could not be knocked through; in some local council areas tenants were not even allowed to change their own doorknobs. It is, perhaps,

not surprising that working-class families who could afford it sought to gain a new autonomy through owner occupation.

Similar developments are already in evidence in health and education. The bureaucratic and consultant-dominated health service has been resistant to new forms of health care, to preventative medicine, and to user involvement, and has increasingly centralized services, to the time cost of the user. Cutbacks have compounded these problems, but the rapid growth of private medical care (over one million manual workers now subscribe to private health insurance schemes) cannot be attributed solely to the cuts.

In education too there has been a lack of parental and student involvement in what is taught and how, and an effective disappearance of local collective choice in the amount of resources to be devoted to education. This has led to acute local conflicts and disillusion, and prepared the way for varied forms of private education—from music to sport, to extra tuition, and of course to whole schools. It is important to recognize that health and education are two areas where private capital believes it can expand in a major way over the next fifteen years.

These are three examples from among many. Similar points could be made about libraries, leisure facilities, public transport, and even broadcasting. In each case the alternative to what we have called public 'Fordist' provision is seen to lie in privately produced services, and this market alternative is actively encouraged by private capital and its political advocates.

But the market alternative is deeply flawed. It serves the demands of money income, not of basic need. It worsens the pay and conditions of manual workers in the services. A model of a declining 'Fordist' welfare state, and a supplemental private welfare regime for those with cash, threatens to deepen even further the inequalities that already exist within the British welfare economy. This is what is implied in the redefinition of the post-war 'universal' welfare state into a basic welfare state for those in real need, which leaves the market to deal with the rest. Until recently, the extension of private welfare has been restricted by the lack of market demand. But the growth of corporate welfare provisions for skilled workers is already taking effect.

If we are to defend and expand the principle of the universal welfare state, it cannot be just more of the same. One of the problems of anti-privatization campaigns has been that both workers and users have asked why they should defend the old 'Fordist' public bodies. Unions such as the National Union of Public Employees in Britain have argued that in defending public services it is important for workers and users to develop alternative plans for these services. Beginnings have been made in some places—in London transport, for example, and in a number of educational authorities. But the overriding necessity of such alternatives is still too weakly acknowledged.

A few years ago a book was published called 'In and Against the State'. It was the first to address so directly the problems outlined above as they

faced council workers, councillors, and users campaigning against cutbacks. Its authors put the point as follows:

> In the past, . . . if we have concerned ourselves with struggles with the welfare state at all, we have tended to concentrate on questions of resource provision: more and better housing, more hospitals, better teacher-pupil ratios and higher pensions. Increasingly, however, we are coming to realise that it is not enough to fight to keep hospitals open if we do not also challenge the oppressive relations they embody; that it is insufficient to press for better student-teacher ratios in schools if we do not also challenge what is taught and how it is taught. Many people choose precisely not to give their support to 'fighting the cuts', defending or extending the state apparatus, because they quite reasonably have mixed feelings about the social relations which state institutions embody'.[1]

Unless the qualitative issues of the welfare state are urgently addressed, it will be difficult to resist attacks on quantitative resources and on the very principle of universal provision of services to meet basic social needs.

Three issues are central to democratizing the administration of public services: (a) how to shift power from officials to elected politicians on the one hand, and to users on the other; (b) how to shift the emphasis of regulation in public services from cost accounting to improving services for people; and (c) how to change the internal structure of the state, as well as the relations between manual, clerical, and professional workers. Drawing on my direct experience with the Greater London Council in the 1980s, I will deal with each of the above in turn.

Shifting Power in the State

In a market system, the power of initiative rests largely with management, subject to the overview of a board of directors and the response of the market. It is the last of these, usually expressed through the voice of the finance director, that provides the overriding discipline to private capital. In non-marketed services, such as we find in local government, there is no such market discipline. Instead discipline is provided by the more equal but much blunter mechanism of electoral democracy.

Politicians present a package of proposals in the form of a manifesto. They may or may not be able to stick to it, but in conducting affairs they will have at least one eye on the discipline of a future election. Imagine that supermarket managers were elected to provide all the food for an area over a four-year period, with their decisions governed only by their concern to be re-elected: this is what we mean by the bluntness of elections in terms of economic control.

There are a number of problems with the electoral system that we need to highlight. The first is the control that the elected politicians have over civil servants and their dependence on the latter's ability to ensure the delivery of services. In traditional models of public administration a sharp distinction

is drawn between strategy and implementation. The politicians lay down the strategy and a neutral professional body of local council officers puts the strategy into practice. The experience of the Greater London Council (GLC) suggests that matters are not so simple.[2] Some career staff were opposed to the strategy advanced by the radical Labour party majority on the council in the early 1980s, and sought to slow down and even subvert it. Others were neutral but lacked an understanding of the policy principle that would allow them to handle unforeseen or detailed problems in the way the GLC's politicians would require. There was a lack of shared imagination. Moreover, it was evident that adequate strategies could be satisfactorily developed only if the problems of practice were known. The experience of practice should feed back into the development of strategy, and vice versa. For this reason it is important that the politicians be involved in implementation, and that full-time officers not only grasp but sympathize with the politicians' strategy.

In the case of the GLC, these issues were addressed in the following way: (a) the Labour party presented a lengthy and detailed local election Manifesto, which set the basic guidelines for policy; (b) committee chairs and vice-chairs were encouraged to work full-time—financed by attendance allowances—in order to provide day-to-day supervision and leadership in the process of setting the Council's major policies; (c) specialist units were established to promote the new policy directions contained in the Manifesto; (d) staff for these units and other key administrative and professional posts were appointed mainly from outside the GLC, and were sympathetic with the aims of the Manifesto; (e) officers who attempted to undermine Council policy were moved or dismissed; and (f) direct contact between elected representatives and staff was encouraged at all levels, not merely with senior officers.

Many of these initiatives cut across managerial traditions within local government. They were also the cause of much dispute at the GLC, particularly in the early days of the administration. But all the above were crucial to the effective implementation and development of Manifesto commitments.

Council elections give a measure of user control, but in areas that traditionally gave large majorities to the same party, many councillors were insulated from the discipline of re-election. The market power of a consumer in a supermarket—however confined by limited choice, and however distorted by inequalities of income—is still far more sensitive a daily discipline on producers and distributors than exists in non-market services.

Some social market economists have suggested that we should imitate a market, by providing vouchers—in education, for example. But all forms of choice—and there is some choice between schools even without a voucher system—still leave the question as to what is to be done with those who do not get their choice. A school that is at the bottom of parental preferences is not closed or bankrupted as in a market system. It still takes its quota of pupils, reflecting the class composition of its immediate area. What has too often happened is that owner occupiers can move to areas offering better schooling in a way that council-house and private tenants cannot. A system

of parental choice then favours some at the expense of others. Such a system could work only if the least favoured schools (or hospitals, or council estates, or any similar services) were automatically brought up to the standard of the rest. In the private economy the least efficient is replaced by the more efficient as defined in market terms. This is the mechanism by which the best market practices are generalized. There is no such mechanism in the non-market economy. A good school does not 'take over' a bad school and restructure it in its own image. Instead there is a polarizing tendency, with some favoured places attracting more cash and better teachers, while others are stranded.

In all these cases, much depends on resources, but we are concerned at this point with forms of local control that go beyond resources, that allow a greater say in what is provided and some daily control by the users over those who do the providing. For instance, what can council tenants do about housing officials who abuse them, or who subject them to delay? What recourse have children and parents when teachers (and even whole schools) waste the time of the young, or brutalize them? How can women and ethnic minorities resist discrimination in the health service (and in some recorded cases in East London, mutilation) at the hands of white male doctors? In asking these questions we do not suggest that housing officials, teachers, and doctors abuse their positions as a matter of course. We are concerned with what happens when they do. It is the same question that has been asked again and again with respect to police brutality and racism.

The GLC approached this problem by trying to strengthen user groups and collective responses to abuse. Funding collective user groups to which individuals subject to abuse can turn for support, legal advice, and advocacy is one response. A second is funding campaigns and information that can improve users' awareness of their rights. This has been particularly important with respect to welfare-rights campaigns, and to those organizations of women and black people who have been fighting discrimination by the state.

But, as the record of the campaign against police misconduct shows, collective action and wider information are not enough to prevent these practices. Effective mechanisms are needed for disciplining officers as a matter of course. In the case of the police, the first requirement is that they be brought under the control of an elected local authority; the second, that any complaints be investigated by people independent of the public force.

This second principle is one that deserves to be adopted in all state services. At the moment elected councillors and MPs often spend much of their time taking up individual cases of abuse by the state. At the minimum there should be an increase in the numbers of independent local ombudspersons trained to investigate and rectify cases of abuse. Councillors and MPs might then still be drawn in, but this powerful system of watchdogs over the conduct of state officials would be able to take on much of their present work. One of the problems of the present system of electoral representation is that the

people charged with the development and implementation of political policy spend much of their time tracking the individual abuses of the state.

One way of shifting power to users is to increase their power of sanction by strengthening user groups, sharing information, promoting discussion, and subjecting state officers who have misused their power to effective discipline. Not unnaturally, many state employees are likely to resist greater exposure of their actions to external judgement; it increases their vulnerability. But they should remember that their wages are paid from the taxes of the people they serve, and they are responsible to them and their representatives.

Another means of expanding the power of users is by involving them in strategic development and consultative or governing bodies. There are two issues here. First, what is the relationship of such groups to the electoral process? Services such as water, health, and the police force should be brought under direct democratic control by elected local councils. In the latter part of the nineteenth century in Britain school boards were subject to election, but this practice was ended because of the success of socialists in getting elected to them. There is a case for reviving such elections and extending their use. Appointed user groups themselves have little direct power if they lack direct access and means of appeal to a controlling elected authority.

Second, there is a need to resist the restriction of scope of groups that involve users directly. What has happened over the post-war period in various parts of the welfare state is a growth of consultative groups that have had certain similarities to Japanese quality circles. In education, for example, there has been a double movement towards greater centralization of power and control of curriculum and, at the same time, extension of participation to parents and local communities. The latter can amount to the co-optation of general opposition by involvement in the more detailed operation of education at the local level. Community health councils have similarly found themselves limited to the operation of a depleted health service—and been flooded with individual cases with which they cannot deal—rather than having local re-sponsibility covering the much broader causes of ill health. There is, then, an ambiguity in consultative groups as there is with forms of participation in private companies. On the one hand, they may act as a filters for and incorporators of opposition. On the other, they may extend local control over immediate services and contribute to the strengthening of user power. Locally elected representatives have a greater chance of establishing their in-dependence, but this requires a clear definition of their immediate scope of authority and a mandate to consider wider issues.

Yet another way of increasing user power is by extending user autonomy (for example, in council housing) and funding collective self-help. There are many examples of such social do-it-yourself services, from maintenance services run by tenants' associations, to community centres and pre-school playgroups. In the field of economic policy, the GLC followed this path with a variety of employment projects, funding co-operative development agencies, trade-

union resource centres, unemployment centres, women's employment projects, black employment projects, and so on. In some cases these were services provided by a group for others, but commonly the groups' members were drawn from the users, and subject to control by the users. Thus the trade-union resource centres were controlled by local trades councils, the centres for the unemployed were run by unemployed people, and the community development bodies had management committees with strong representation from local co-operatives. All these efforts involved deliberate shifting of resources and control to local users, rather than extending the permanent apparatus of the local state.

Revising the Regulatory System

We have talked of means whereby councillors and users can exert greater control over officials, and whereby some services can be delegated to user groups themselves. But it is always easier to guide and control a horse that is running in the right direction than one that is bent on taking the wrong road. Although workers in some public services are renowned for their traditions of 'serving the people'—nurses and librarians, for example—many others are not. The word 'bureaucracy' invokes much of what is wrong: red tape, tackling situations by the rule book rather than with common sense, leaving initiative to the user, engineering situations so that the user rather than the official appears in the wrong, diverting responsibility to other departments, avoiding mistakes instead of solving problems. Too often there seems to be a 'system', over and above any of the individuals within it, that is a mire for initiative and makes the firm ground of acknowledged final responsibility difficult to find.

This picture is familiar not merely to users but to councillors and those working in the bureaucracy as well. The underlying cause is equally clear. In services that cannot be sold on the market and assessed by profit-and-loss accounts, economic regulation is based on achieving cost economy rather than improving services. Activities are organized around formal procedures, and promotion is achieved through the avoidance of error rather than achievement of results. The answer is not to introduce the market into these services. Rather, each of these traditional features of bureaucratic organizations has to be challenged and changed.

Much depends on finding ways of assessing and even measuring the level of services. Since they are not bought and sold, this cannot be done easily in monetary terms. For most services there are sets of non-cash measures: pupil-teacher ratios, miles of streets swept, examination results, numbers of hospital operations conducted, numbers of passenger bus miles travelled, and so on. The significance of such measures is that, however crude, they can exert a real and sometimes unsatisfactory influence on the way a service is run. The gearing of school life and teachers' efforts around exam results would be one (bad) example. The payment of bonuses to transport workers

according to passenger miles travelled would be another (good) one. In health, the linking of doctors' incomes to prescriptions dispensed or operations performed discourages preventative medicine. In short, the physical measurement of services is important. We need more detailed and more appropriate measures. They should include the time spent by users in waiting. They should be well published, and used as indicators of performance.

Economists refer to these physical outputs as 'use values'. They have been used extensively in local government planning in Britain in terms of physical estimates of needs and the 'use values' of the local services necessary to meet them. Nevertheless, the principal means of regulation within local government is still financial cost. There are detailed procedures for controlling costs and preventing the 'misappropriation of public funds'. The Audit Commission is made up of accountants who examine expenditure with a fine-tooth comb. For them and for the public finance profession, the dominant concern is probity. Everyone is in favour of 'probity'. The problem is that procedures for securing financial control of expenditure may become so detailed as to hinder the efficiency of the service. The centralization of 'job notes' in direct labour maintenance, for example, can produce the ridiculous result of a maintenance team's not being allowed to mend a second school lavatory that has broken down next to the one for which the job note was issued. Or projects may be held up until the accountant is satisfied that the finances are in order at the more detailed level, regardless of the costs of delay. More broadly, a council is judged by the levels of expenditure and rates, rather than the level of output.

Strict cost control and measures to ensure fiscal honesty are clearly of central importance. The point is that they bias public procedures towards financial conservatism and against service extension. It is more important to avoid financial (and legal) mistakes than to achieve particular output targets. There is an incentive to avoid risk (because of the penalties of failure), and therefore to limit initiative.

What is required is a profound change in this tradition. Initiative and service improvement should be more amply rewarded, and spending assessed in terms of risk-taking, not procedural conservatism. Improved output measures will help to bring about this change. But much of the evidence on services will be qualitative and not easily reduced to simple indices of output. The GLC introduced a new system of targeting and established a Programme Office to monitor departmental achievements against the target. While this is a step forward, the targets needed to be more detailed, with assessment extended to secure more response of users, and with achievements more specifically rewarded (and lack of achievement penalized).

There is a case too for a 'service audit' that, like a financial audit, would examine closely how well a particular service was being performed. At the moment, a target for a housing department might include 'the administration of rent collection and repair as required'. The service audit would examine how it was done and how it was viewed by consumers. Frequent references

to a local ombudsperson might initiate such a service audit, just as public complaints can lead to a financial audit.

A shift in emphasis from cost economy to improvement of service would contribute to the overall aim of 'serving the people'. Changes in measurement, incentives, and assessment would be part of such a shift. But there is also a need for a shift in the principles of government work, one that encourages innovation in the provision of services. Instead of following procedures, state workers should learn to follow principles, which they would have to apply in non-standard situations. Many aspects of public service are already organized on this basis—for example, teaching and social work. It needs to be extended to public administration itself. How could the bus service be adjusted to limit queues and speed the traveller? How could public services be organized to meet the needs of shift-workers, or those who are immobile? The GLC aimed to raise questions of this kind, so that public employees might consider how their work could be improved to help women, or the disabled, or the fight against racism. It established units within the council to advise departments and monitor their efforts in this area. Acting as animators and as advocates of a new approach, these units ran training courses and produced checklists. They had a considerable influence on consciousness as much as procedure, and provided a model for the extension of similar principles.

Changing the Internal Structure of the State

In contrast to the approach we have been discussing, nationalized industries as well as the main administrative and service branches of the state are organized along the same lines as the great private corporations in the era of Fordism. The planning of public services is undertaken by a cadre of professional and administrative experts—the 'conceptual' labourers of the public economy. The plans are executed by blue- and white-collar workers, subject to the strictest of discipline, whose tasks are fragmented and require little skill. Nowhere is the division between mental and manual labour more obviously wasteful than in the provision of public services. Architects design houses for council tenants according to space standards that they have never had to experience themselves. Transport is planned and run by people who may not travel by bus or subway. Women's lives are planned by men. How often do we hear manual workers explain how services could be run, but shrug their shoulders because they are ordered to operate them inefficiently? The rich knowledge of white- and blue-collar manual workers is largely wasted. Japanese management refers to the gold in workers' heads: this is rarely tapped in the public sphere.

If this situation is to change, certain immediate steps are necessary. First, functional hierarchies need to be broken down, and the services reorganized far more closely around problem-solving groups. Service departments such

as finance, legal, personnel, and public relations could be made more accessible to the public and decentralized to task forces and service departments. Modern corporations have developed much flatter hierarchies as well as flexible groups of the kind we have in mind. They maintain a strong central co-ordination that is also required in public services. An equal-opportunities policy, for example, needs central development and monitoring. Nevertheless, many of the service functions could be substantially decentralized and given greater autonomy according to centrally determined guidelines and principles.

Second, the principles of enterprise planning—which the Greater London Enterprise Board (GLEB) successfully introduced into industrial enterprises— should also be applied in state service bodies. Such planning necessarily works within limits. In industrial enterprises, the limits are set by the market and the conditions of profitability. In public services, they are set by the politically determined principles of service. The point is important because the interests of public-sector workers—particularly white-collar workers—have commonly come into conflict with those of consumers and with radical political policies. Nevertheless, much of the initiative and creativity in providing services must necessarily come from the state workers, and internal democracy is a necessary condition for such initiative to flourish.

It is one thing to affirm this approach and another to make it work in practice. The way forward is not via a blueprint, but through a diversity of experiments. In the GLC, the new units established by the Labour administration experimented with different types of groups: some entirely collective, others with a shallow hierarchy, others more formal both in their organization and in their forms of decision-making. One major exercise was to try to introduce procedures for industrial democracy at the level of the whole GLC. In the GLEB a formal enterprise plan was negotiated with the staff. A number of lessons emerged from these experiments. To begin with, there is a need for a common orientation to the aims of the unit. There is also a need for an education program to build confidence among those whose initiating capacity has been intentionally reduced by the Fordist principles that have dominated public administration. We found, too, that the smaller the unit, the more effective was its attack on hierarchy, fragmentation, and de-skilling.

The restructuring of administration and the introduction of industrial democracy both require changes in pay and conditions. The most urgent of these is the equalization of conditions and grading structures between blue- and white-collar staff. Grading structures need to be simplified and differentials reduced. Both proposals were in the GLC Manifesto, but they met major bureaucratic and legal obstacles to their full implementation. Nevertheless, there were significant achievements in equal opportunities, training, child-care provision (particularly the far-reaching income-related subsidy for child care), narrowing white-collar differentials, and simplifying the white-collar grading structure.

Decentralization Experiments

A number of experiments in decentralization occurred at the GLC with aims similar to those outlined above. The initiative was started in Walsall, where councillors wanted to move their operations out of the Town Hall and establish a number of neighbourhood offices. Despite the entrenched opposition of the chief executive, the Labour group opened 33 neighbourhood offices within 12 months, often operating out of nothing more than portable structures, but situated close to local communities. The Housing Department was dispersed from the Town Hall into these offices, with five to ten workers in each who were responsible for rate and rent collection as well as advice and repairs, and were linked to the Town Hall through computer terminals. Similarly, the Direct Labour Organisation was decentralized into units of maintenance workers responsible for particular housing estates, attached to the neighbourhood offices and connected by walkie-talkies.

Described in this way, the experiment appears to be more about the decentralization of administration than the shifting of power. This was neither the aim nor the experience. First, the decentralization did involve greater autonomy for direct council workers in meeting needs and solving problems. There was a shift in power relations within the Council's own workforce. Second, the increased accessibility to local people meant more than improving service by cutting journey time. It created a closer link between the council's workers and their areas of operation, and made these workers more accountable in day-to-day informal terms. One estate even organized a campaign to retain a neighbourhood officer who was to be transferred, prompting one Councillor to remark: 'It's the first time I've heard of tenants campaigning to keep a council employee.'

Third, the offices were intended to be places where tenants and residents could meet, get advice, and organize. Political theory often forgets that organization involves time and space. By their location, these local offices were intended to supply both. They came to be used by playgroups and unemployed people and for informal meetings. The councillors hoped in this way to create the material basis for local people to demand more power, improved services, and the ability to discipline council workers who were not 'serving the people'. Home helps, social workers, welfare advice, street cleaning, all were to be moved to the centres, and within two years each centre was to have its own budget, which would be subject to more local control.

In 1982 the Labour group lost control of Walsall. In spite of previous sustained opposition to decentralization, neighbourhood offices were not dismantled by the new administration. A number of other councils have tried to follow the Walsall model, of which the two main London examples are Hackney and Islington. In Hackney the initiative quickly reached a standstill, having been boycotted by NALGO, the main union representing white-collar workers in the local authority. There was more success in Islington, where

area offices were set up with 30 to 40 staff members in such fields as housing management, social services, repairs and building, road sweeping, and environmental health. One success was that repair teams were given greater autonomy in undertaking repairs on the housing estates for which they are responsible. The majority of repairs were done in two to three days, and almost all tenants found the service an improvement.

Sharp conflicts were exposed in the course of these decentralization experiments; senior management and the white-collar unions were generally hostile. But blue-collar workers and many users responded positively. Although such experiments are not enough on their own, they are an important step in the process of transforming some parts of the state.

Conclusions

There is a qualitative as well as a quantitative crisis in the public sector. In addition to the serious financial cutbacks and the squeeze on services, there is a crisis in the way existing services are run. We have called this a crisis in the Fordist state, since so many parts of the public-service economy are still run on Fordist lines. The quantitative cuts have led those with cash to turn to private services: cars instead of buses; private health plans to jump the queues; private nursing homes for the elderly. With private corporations increasing their staff welfare provisions, a dual welfare economy is emerging: a private one for those in well-paid jobs, and a public one that is becoming increasingly run-down. If this trend is to be resisted and the public services expanded, it is a political necessity to change the way in which public services are carried out. It is necessary to transform the state.

This paper has outlined three main areas for action (for an overview, see Figure 4.1):

1. Shifting power from permanent officials to politicians, and from service providers to service users. Our recommendations: to encourage full-time work for committee chairs and vice-chairs; extend outside appointments of those with an understanding of the main policy directions and experience in implementation; expand the funding of user groups, campaigns, information, and legal advice for users; appoint independent local ombudspeople to investigate user complaints against council officials; institute elections and democratic control over health authorities, the police, water boards, and other appointed bodies, including school governors.

2. Shifting the emphasis in public services from cost accounting to improved services. Our recommendations: to expand the measurement of outputs and service quality; introduce a quality of service audit; introduce systems of staff assessment that reward effective task completion rather than error avoidance.

FIGURE 4.1
TRANSFORMING THE STATE

fordist state	beyond the fordist state	transition
• mass production of standardized services	• diversity of service	*shifting power:* • to politicians • to users:
• economies of scale	• economies of social time	sanction
• multidivisional organization	• task forces and flatter hierarchies	planning funding user
• Taylorism/division of head and hand	• group tasks	groups *serving the people*
• rate for the job and formalized negotiation structures	• flatter pay structures and uniform conditions	• measuring outputs • breaking the tyranny of finance
• Taylorism of the service	• skilling of users	• targets and service audits
		• principles above procedures
		restructuring the state • instituting task forces and dismantling functional departments
		• enterprise planning
		• equalizing pay and conditions
		• decentralization

3. Changing the internal structure of public bodies. Our recommendations: to extend the number of small task-oriented groups; decentralize the bulk of the functional departments into the service areas; extend the principles of enterprise planning within public departments; reduce inequalities in pay and conditions within the public service, particularly those between blue-collar and white-collar staff; undertake decentralization experiments.

These proposals are oriented towards a new type of state, one that offers a diversity of service, that economizes social and not just paid time, and that builds on the knowledge of workers and users. Too often, criticisms of

public services and state structures have led to demands for a return to the market and the free play of private capital. This is the wrong response. We need to reach not for abstract theories of the market, but for the experiences of progressive local councils, of governments and other bodies whose aim has been to change relationships within the state, as well as those between the state and the people whose interests it is meant to serve.[3]

Notes

[1] *In and Against the State* (London: Pluto, 1980), 77.

[2] See, for further readings, Greater London Council, *The London Industrial Strategy* (London: Greater London Council, 1985); and Maureen Mackintosh and Hilary Wainwright, *A Taste of Power* (London: Verso, 1987).

[3] See, for further discussion, Geoff Mulgan, 'The Power of the Weak', in Stuart Hall and Martin Jacques, eds, *New Times* (London: Lawrence and Wishart, 1989); and Robin Murray, 'The State after Henry', *Marxism Today*, May 1991.