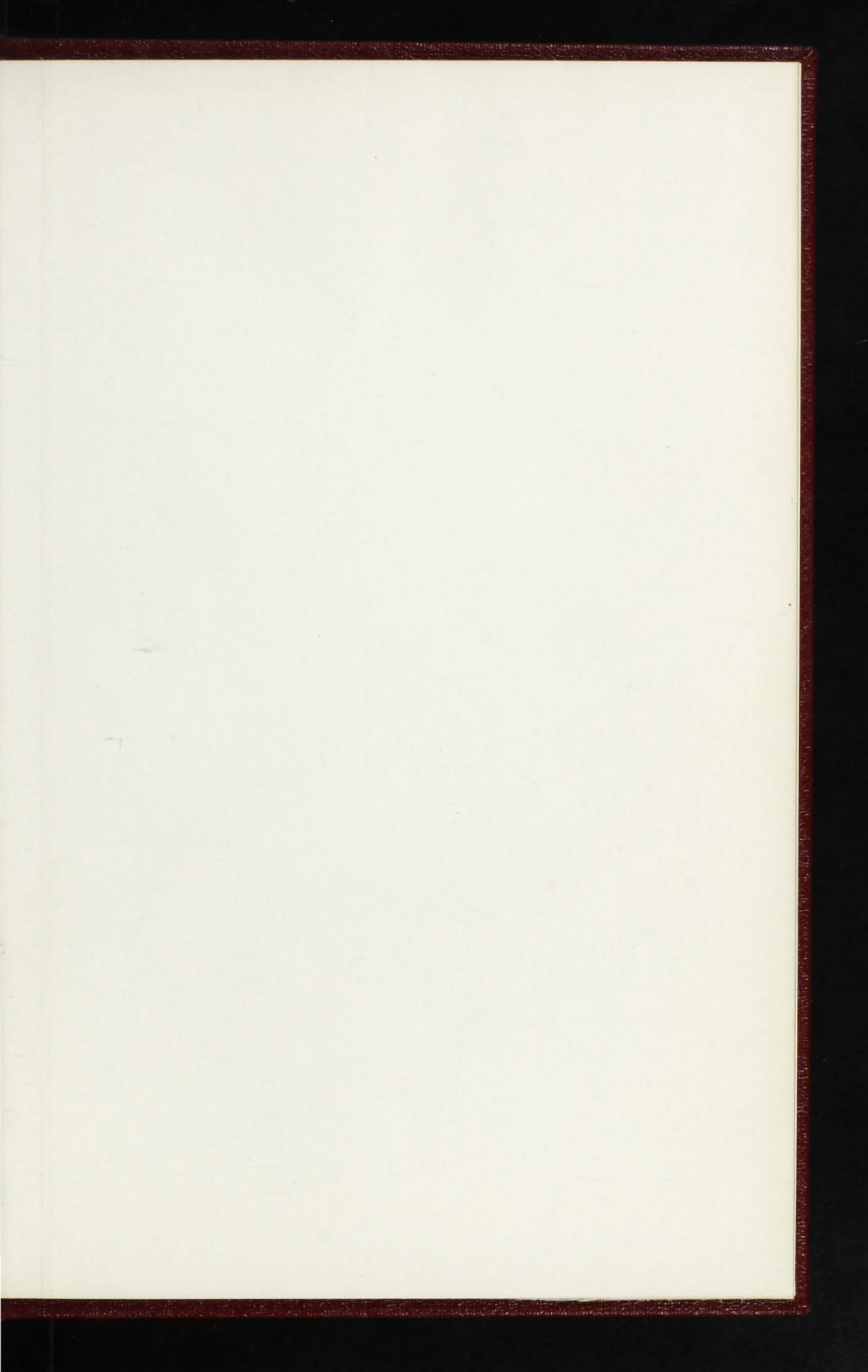


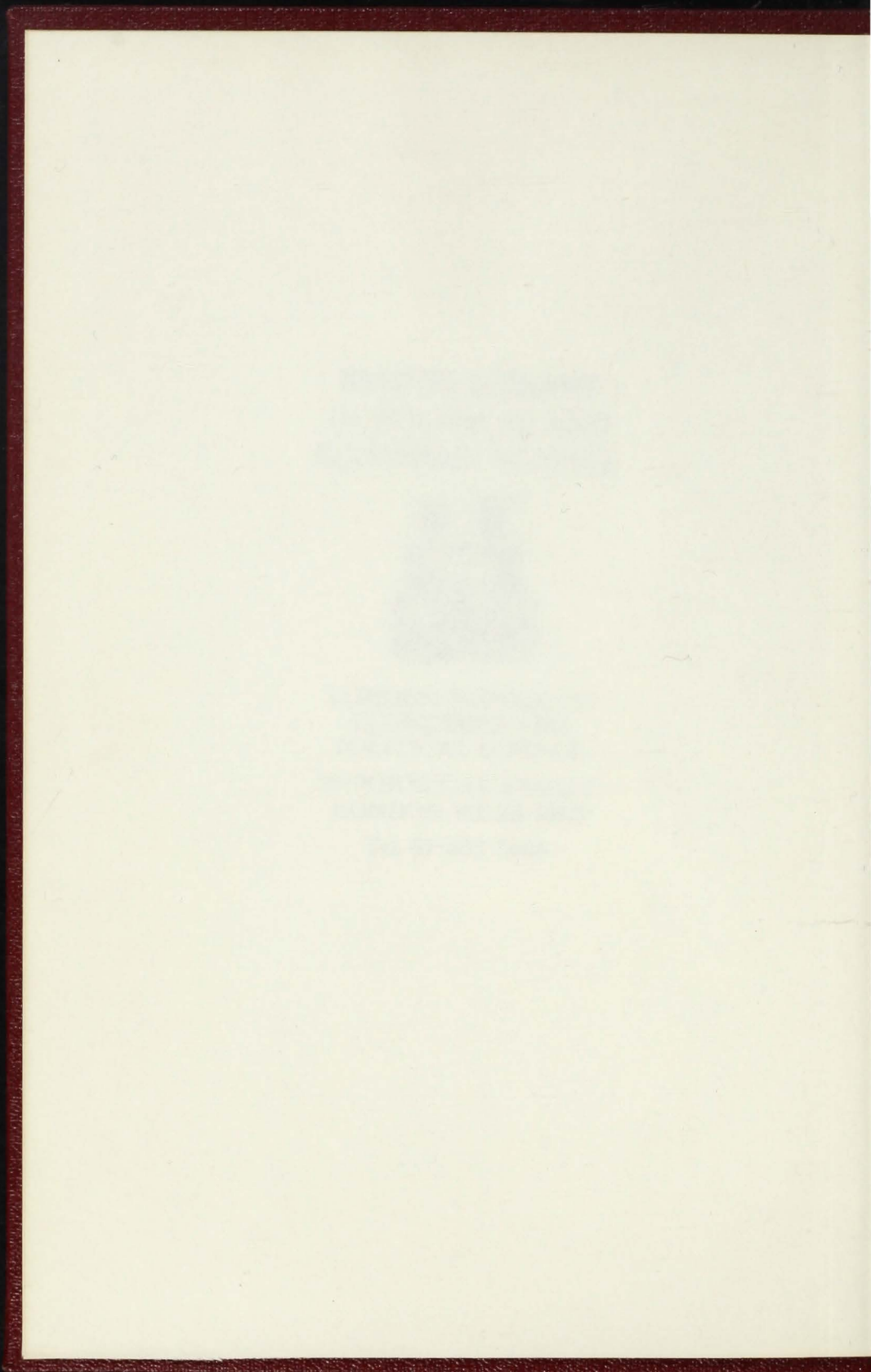
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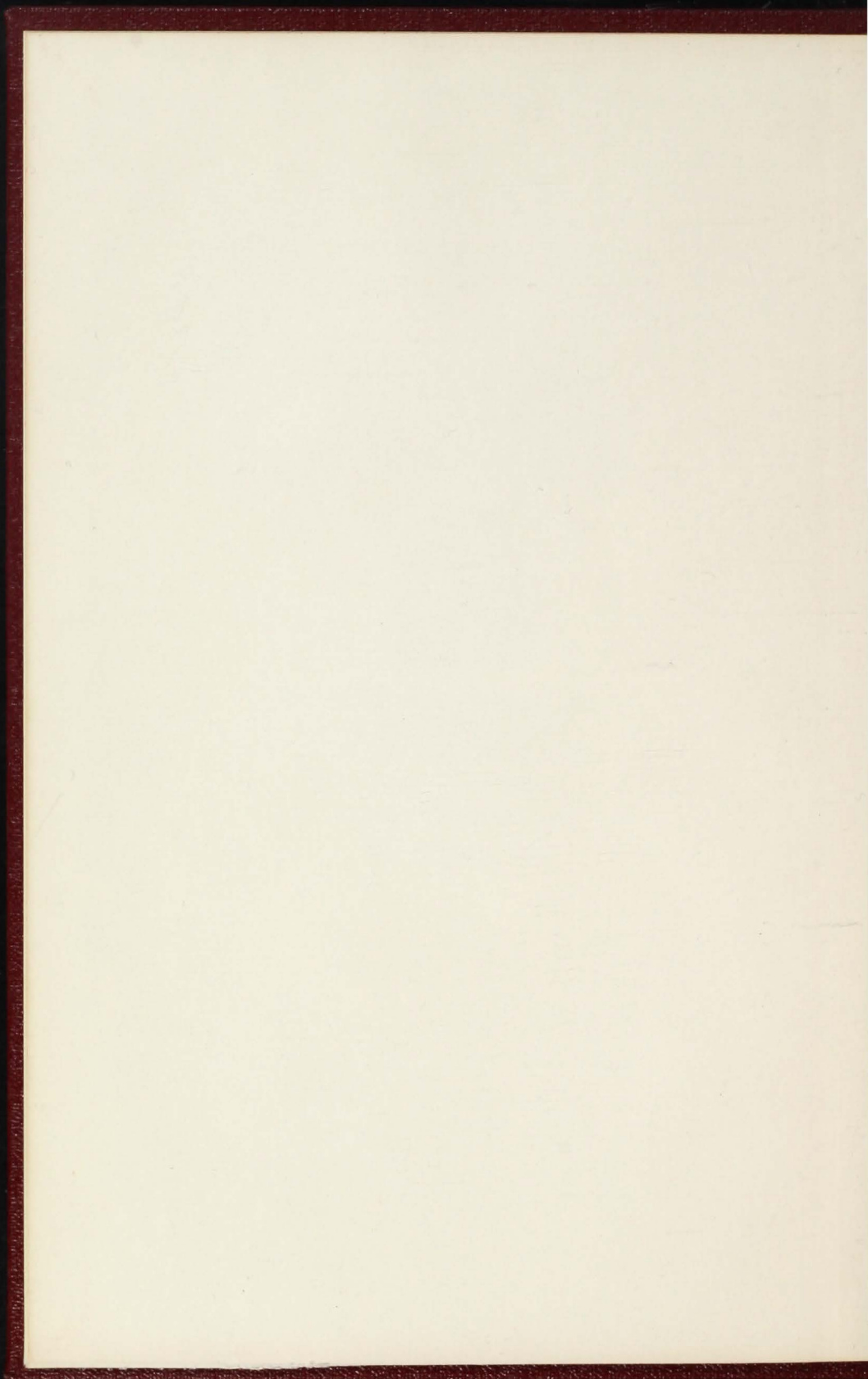




Wage Policies A New Approach

Lloyd Dornbusch
Abstract 287

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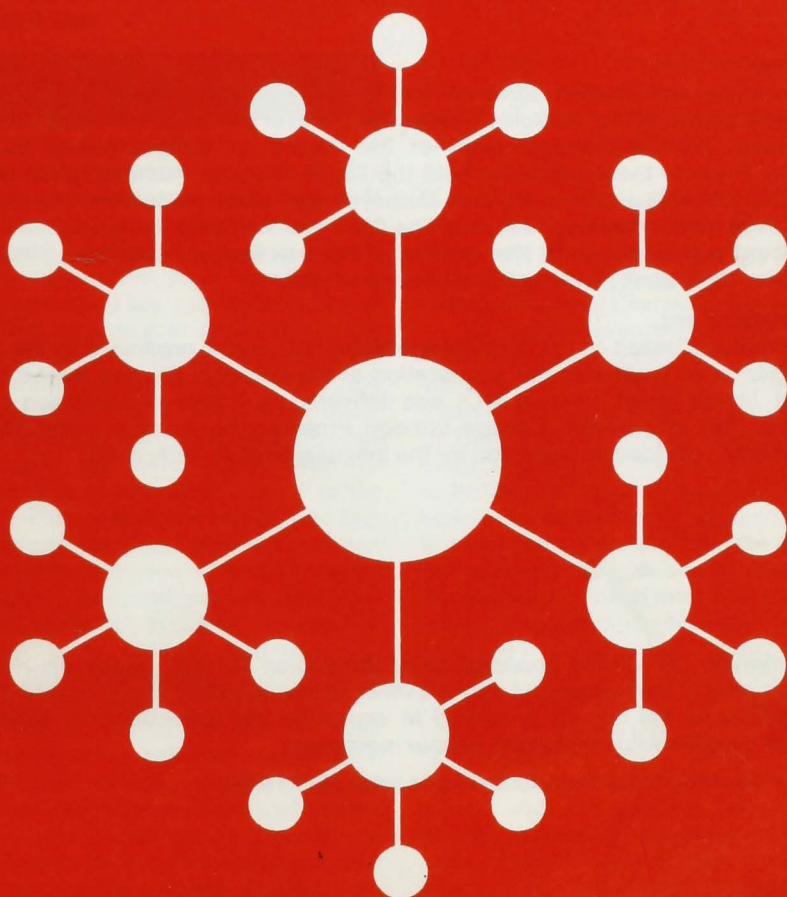


urban policies : a new approach

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Urban Policy: A New Approach

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The Author

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Acknowledgement

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This pamphlet, like all the publications of the Fabian Society, represents not the collective view of the Society but only the views of the individual who prepared it. The responsibility of the Society is limited to approving the publications it issues as worthy of consideration within the Labour movement.

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1. Crisis

In Britain we have fashioned a service oriented style of government – functional, specialist, professional and centralised. This style had great strengths in its day, but it is now running into growing difficulties and new styles are developing. Their main purpose is not the production of a service but the solution of problems. They are economically oriented, area focused and community based. These initiatives are important, but they are still at a tentative, experimental stage, and they pose major problems which will have to be resolved before they can go much further. This pamphlet identifies some of the growing points, and concludes by exploring the problems which have to be tackled next.

Achievements

During the generation after the second world war – until the mid-seventies roughly – British government passed through what in retrospect seems a heroic age. Local authorities, backed by central departments, played the main part in these achievements. They rehoused in homes allocated according to need rather than the ability to pay a larger proportion of the population than can be found in the public housing of any other market economy. They replaced, and grant-aided the improvement of, more houses than the government of any other country in the world. They completely reorganised secondary education and created a new and enormously extended system of higher education. They combined and greatly extended hitherto separate systems of personal social services. And they protected and conserved much that is best in our built and natural environments.

Whitehall played its part in these achievements too: behind the lines in local government services; out front in the National Health Service, the social security services and elsewhere. As a result, the distribution of consultants and specialist medical services across Britain now matches local needs more uniformly and fairly than in any market economy of similar size; and our last-resort social as-

sistance service – the supplementary benefits scheme – gives more assured rights, protected by more extensive rights of appeal, than similar schemes in other countries. The state, central and local, has in most parts of Britain become the biggest employer, the biggest customer and the biggest paymaster. Major local authorities dwarf giant enterprises like British Leyland and Imperial Chemical Industries.

Sheer scale has nothing to commend it. What commands respect are the massive advances in living conditions, security and human happiness brought about by many of these services. Those achievements are essentially political, for they were rooted in broadly based social assumptions and aspirations derived from the experience of war and depression, and from the ideas of reformers reaching back to the beginning of the century – ideas most clearly articulated by democratic socialists, but also accepted by many humane conservatives, and by others with no political affiliation. Central to their outlook were concepts – confused but powerful – of “fair shares”, “equal opportunities”, “distribution according to need, without regard to payment” and the gradual extension of publicly accountable collective action into areas of the economy hitherto dominated by the profit motive, or left to private philanthropy. A serviceable rhetoric was created. A lot of people recognised that a movement pursuing these aims would

eventually stumble into all sorts of dilemmas – but in the meantime the world could be made a great deal fairer and more equal before anyone need worry what exactly such terms meant. Although these ideas provoked fierce contention about symbolic issues – such as rent controls, comprehensive education, and prescription charges – they helped to formulate and orchestrate public debate. They also provided some guidance for those eventually called upon to implement the decisions made – officials who understood, when the battle was over, in what direction the country was supposed to be moving.

In practice these trends generally led to the creation of larger and more uniform public services. Since the beginning of the twentieth century, social reformers in many fields had sought to replace local charities, the local poor law and local friendly societies with nationwide services. These services were then pressed to adopt increasingly similar practices throughout the country. Official guidance about pupil-teacher ratios, about prescriptions per doctor and per patient, about points systems for the allocation of council housing and about codes for the distribution of social security benefits were all designed to produce greater uniformity. Radicals helped to standardise things. Variety, they argued, created “anomalies”, and anomalies were “indefensible”. Always alert to seize upon these anomalies as precedents for reform, they compelled government to adopt an increasingly uniform mould in self-defence.

The achievements of this heroic age could perhaps only have been attained by a set of fairly single-minded, centralised bureaucracies which focused and confined the energies of politicians and officials within the frontiers of clearly distinguished departments of central and local government. A functional, service-oriented system was created to win the “numbers games” of these years: to build the houses, to clear the slums, to get the new pensions

paid, to ensure there would be a place in school for every five-year-old, to deploy hospital consultants in every region, to build more miles of motorway and to bring down the numbers on the waiting lists. The heroes of these games – the chairmen of housing and education committees, their chief supporters and senior officials – too often became detached from the people on whose behalf they laboured. They thought of these people as tenants, pupils, patients, social work clients, losing sight of the more complex human reality behind the flood of committee papers and the smoke of bureaucratic battles.

“Variety, they argued, created “anomalies”, and anomalies were “indefensible”.”

The Growth of Professionalism

Faced with a new demand, the instinctive response of this system was not to ask how local groups were already coping with it and how their efforts could best be developed, but to sprout a new sub-specialism staffed, as soon as resources could be mobilised for the purpose, by full-time, expensively trained professionals. The laboriously slow growth of costly nursery schools and classes – far more expensive than primary schools, and operating for periods of the day and the year which were devised to suit teachers rather than children or their parents – illustrates the pattern. Meanwhile, alongside them, a much cheaper system of private child-minders and playgroups on which working mothers had to rely (because they were open for much longer hours every working day throughout the year) was neglected. The premises of these voluntary and private enterprises were often awful, their staff were untrained, their equipment was sparse; yet they met the more urgent needs.

Similar examples can be found in many other public services. The massive housing estates on the remoter fringes of our cities,

so poorly maintained and so sparsely served by shops, laundrettes, doctors, job centres, public houses and public transport, were built by determined but blinkered men in the housing departments of central and local government, driving onwards to increase the output of dwellings without much regard for other human needs. Such environments and the poor quality of so many of their public services have since done a great deal to discredit the Labour movement which played so large a part in creating them.

The police followed similar philosophies. Faced with new and disturbing problems of public order, they responded by forming "reactive" units such as the Special Patrol Group – an even more specialised, more centralised, more heavily equipped elite – which in Brixton and elsewhere provoked and exacerbated the kind of disturbances they were intended to control.

In the 1930s Richard Tawney, like many socialists of his generation, had set great store by professional codes of behaviour. Rapacious businessmen, he said in *Equality*, could be civilised if they were taught proper professional standards of practice. The Webbs preached a similar doctrine about professionalising and municipalising philanthropy and its voluntary workers. A generation later their successors – men and women like Richard Titmuss and Barbara Wootton – had learnt to be much more critical of professionals and bureaucrats. But their criticisms of doctors, social workers and others did not divert the historical process by then under way. Indeed, much of their own bread and butter was earned by training the people who entered the public service professions and bureaucracies, and by writing the books which still stand upon their shelves.

Crisis

Our whole system of public services and urban policies was overdue for critical re-

appraisal – and was indeed already attracting growing criticism – before the crisis it now faces blew up. The most urgent demands for reappraisal now arise from the collapse of the economies of many of our older, industrial cities. But people concerned about women's rights, race relations, pollution, ecological problems and other issues have in many countries been asking similar questions for many years. Thus the problems this pamphlet discusses would demand attention even if we were all still fully employed and prosperous, and the lessons we are now being compelled to learn will be as useful in prosperity as in poverty.

“We are witnessing the exclusion from the life of the city of whole groups and neighbourhoods.”

The story of the collapse of many British manufacturing industries and of the cities which depended on them is now grimly familiar. It need not be repeated here. But the "feel" of this disaster must be understood. Recently a study has been made of the east end of Glasgow – an area of industrial dereliction, comparable in many ways with London Docklands. It has a population of some 40,000 people: 150,000 used to live there only a few years ago. Slum clearance and industrial closures have left huge gaps in the urban fabric. Unemployment rates for men are nearly 30 per cent – about twice the national average. Further out on the city's more impoverished fringes, things are worse still: there are entire streets there in which not one person has a job. Liverpool is in even worse plight.

We are witnessing the exclusion from the life of the city of whole groups and neighbourhoods. Unemployed people are more likely that most to have been out of work in the past. Their spouses are less likely than most to be at work. The unemployed are less likely than most to participate in public meetings, and – despite their long hours of leisure – in recreation

of nearly every kind. They are less likely to have contacts with working people which would put them in touch with job opportunities. It is in neighbourhoods like this that the credibility of British government and its capacity to maintain the basic conditions for civilised order will ultimately be tested.

Confronting these problems, many public services have a tool-kit of responses which is obsolete or worse. Their planning departments' powers are largely negative – designed to shape the growth of cities by arbitrating between competing demands for land, and thereby steering investment into chosen places and approved forms. But by 1977 between 6 and 12 per cent of the land in the inner parts of Britain's four biggest cities was vacant, and that proportion must now be larger still. Meanwhile the industrial development officers employed by most larger cities to search the world for investors who will come and build factories on such land now find that few are interested in what they have to offer. The supply of external capital has almost dried up, and the manufacturing branch plants attracted by such investment are in many places closing down or shedding workers rapidly. Housing departments which not long ago were struggling to overtake the clamant demands of their waiting lists are now struggling to keep their less popular houses filled. Education and social service departments, accustomed to respond to newly identified needs by creating a centrally directed, full-time, fully-trained corps of professionals, find themselves compelled instead to reduce staff and to reduce expenditure on training.

Cuts and Rates

The first response of the present government to these dilemmas was to make drastic reductions in their support for local government and to aim these cuts at the most hard-pressed cities, taking pervasive new powers to control local government spending. Uncertainty about central gov-

ernment policies, about future economic trends and about the future of the rating system compelled local government to abandon any attempt at long-term corporate planning. Soon after came the first widespread breakdown of public order in British cities to occur in modern times.

“Shaken by the 1981 riots and educated by what they saw on Merseyside, Ministers then began to make some amends.”

Shaken by the 1981 riots and educated by what they saw on Merseyside, Ministers then began to make some amends. But, like the educational priority areas, the community development projects, the partnership programmes and other centrally funded initiatives of earlier years, the new urban development corporations, the enterprise zones and the “task forces” of businessmen each have limited functions, which are focused on limited bits of the local authorities' territories, for limited periods of time. These interventions may make it harder rather than easier for civic leaders to develop more comprehensive and effective policies for the recovery of their cities. Ominously it was only the police who received a large increase in the real resources devoted to their work.

This brief outline of the crisis in city government can be concisely summarised. As their economies collapse, many of our older industrial centres face urgent and growing needs with reduced resources and restricted powers. Economic decay deepens social divisions. Research shows that the more depressed cities tend in various ways to be the more unequal cities, because it is the working class in general and the unskilled in particular who are most likely to suffer from depression. The differences between the rates of unemployment, rates of car ownership and so on found in different social classes are greater in these cities than in more pros-

perous places. These divisions threaten more serious disorders to which civic leaders must somehow respond. They cannot just sit and wait for the revolution or for a capitalist recovery, for neither may come; and neither may do them much good, even if they do come. Meanwhile these cities may burn down around their civic leaders' ears.

But the professional traditions and administrative strategies which enabled local government to achieve so much during the heroic years are now inadequate or worse: the drive to attract big manufacturing plants which was pressed onwards while local workshops were demolished and local skills were dispersed in massive redevelopment schemes; the mass-production of housing distributed according to standard points schemes which paid no regard to the ties of family and community; the development of uniform, centrally directed,

“The professional traditions and administrative strategies which enabled local government to achieve so much during the heroic years are now inadequate or worse.”

professional services which neglected and devalued the spontaneity, variety and potential richness of private and local responses to human needs; and the reliance in the last resort upon a motorised and more heavily armed police force, increasingly remote from the rest of the population, to maintain order on the streets – all these show how one generation's achievements may create the next generation's more intractable problems. It is the fate of radicals, as Tawney said, to coin slogans for the conservatives of the next generation.

2. Response

Some may view this sketch of the crisis in local government as too stark. However, many cities are responding creatively to these dilemmas. Three closely related themes recur in these responses. They are economically orientated – more concerned than hitherto with people's opportunities for work, and for increasing their incomes, both in the formal and the informal economies. They are community based – more concerned than hitherto to respond to people's perceptions of their own problems, and to support whatever initiatives local groups may take in tackling these problems. And they are area-focused – more concerned than hitherto with the needs of everyone in a particular neighbourhood or quarter of the city, and with the contributions which all the services operating there can make to improve living conditions and enlarge opportunities in the area. Together, these three approaches amount to a new style of public administration, different from the functional, service orientated approach to which we have long been accustomed. Brief illustrations of each follow.

An Economic Base

The new style of government starts by giv-

ing economic development a central place in urban policies, and by recognising that – for the moment at least – the resources for

development are unlikely to be found in Whitehall or among investors from overseas: the most important will have to be found within the city itself. These "resources" take on a new meaning; they include vacant land and empty buildings which could be used for new purposes, skilled workers – some, perhaps, with redundancy payments which they might put into a new enterprise – local banks and building societies prepared to invest in their own city, and organised groups of people capable of speaking convincingly for the communities they represent – neighbourhood associations, tenants' associations, community councils, ethnic associations, and so on.

“The new style of government starts by giving economic development a central place in urban policies.”

Civic leaders – a deliberately vague phrase which may include officials as well as politicians, and people from the private sector of the economy as well as the public sector – bring together a package of resources to help new and growing enterprises. This package includes risk capital from various sources; small industrial premises standing in accessible and reasonably attractive environments, and let initially at subsidised rents; technical advice and training; readily comprehensible information about the help available for new enterprises; and convincing civic support for those seeking help from national levels of government, the EEC or elsewhere.

Striking though the achievements of many cities have been in promoting local enterprise, it is clear that policies of this kind will not reverse the collapse of manufacturing industry or get everyone back to work. Their contribution is to soften the impact of industrial decline, to sustain morale, to develop skills which will help some people earn a living wherever

“In the more depressed cities . . . demand for labour will probably come largely from initiatives taken in the public sector.”

they may go, and to equip the city to seize opportunities for growth which may come its way in future.

Hence other approaches, of which we have less proven experience, are also needed. In the more depressed cities, whatever growth there is in demands for labour will probably come largely from initiatives taken in the public sector. It should therefore be one of the functions of public services to generate or preserve jobs, particularly for less skilled people and those with few opportunities in the private sector of the economy.

Some people are growing more alert to the scope which public services have for expanding economic opportunity by using the leverage they can bring to bear in other sectors of the economy. Thus in inner areas, devastated by the clearance schemes of recent years, there may be unsatisfied demands for home ownership. There, house building may be a leading factor in local development, not only making temporary demands for building labour but also recruiting or retaining households whose needs will generate more lasting demands for services which can be provided locally: demands for recreation, for house repairs and improvements, for the repair and maintenance of television sets and electrical appliances, motor cars and other domestic equipment, and – in the public sector – demands for health services, schools, home helps, and so on.

Community Action

The second feature of the innovations which I have stressed is that many of them are community-based, sometimes because people believe this approach has special advantages, and sometimes because they

are at their wits' end to cope in any other way with unpaid rents, empty houses, vandalism and disorder. Whatever its starting point, the guidelines for making a success of this approach are now emerging pretty clearly – in Anne Power's studies of priority estates, for example. A good deal of authority must be devolved to local offices of various public services which should work together from buildings standing in the area to be served. The police must be involved. Each area team should be led by staff of some seniority who are prepared to go to evening meetings, to listen to what people say and to respond honestly to them. Some real power must be given to representatives of the local community, which means they must have a budget or effective control over some real resources – which may extend to the allocation of the vacant houses on their estate. Priorities and patterns of service will therefore vary from place to place: money may be spent on entry-phones in one neighbourhood, on fences and traffic management somewhere else, and on a community centre in a third place. That (and the "anomalies" it causes) must be tolerated. People will ask for some things which they are capable of providing for themselves if given the opportunity, and they should be helped to do that. They may, for example, set up a youth club for teenagers; shops to provide some competition for the man who comes round selling groceries at high prices from a van; or a minibus service to give people more chances of getting out and about.

Some of these will be conventional profit-making enterprises. Others will be "community businesses", intended to make a profit for the community if that proves possible, but often worth public support, even if they don't become commercially viable, for the contribution they can make to local amenities and human welfare. Some will be hybrids, like the shops recently established in Easterhouse, Glasgow. The kinds of shop to be set up in what had once been a row of ground floor

flats were chosen by people living in the neighbourhood. The shop keepers were local people who tendered competitively for the premises. The rent they pay goes back to a local community business which will use the income for setting up more enterprises.

Drama and the arts have played central parts in some community-based groups – most notably perhaps in Edinburgh's Craigmillar Festival Society, now more than 20 years old, and in the younger Easterhouse Festival Society in Glasgow. They have given local people confidence, and a greater capacity to envisage new futures. Recreation and the arts have too often been seen as "hand-outs" or "culture" to be distributed to the poor, when they should be much more than that. They can fire the imagination, give people a sense of community and the courage to change the world, and provide opportunities for capturing the attention of a wider society.

The government's drive to "privatise" public services can create more opportunities for devolving work to community businesses. School meals and meals on wheels services could be taken over by local groups who would be encouraged to extend into commercial catering from which public services are usually debarred. There is plenty of scope for this in many deprived neighbourhoods. The Easterhouse scheme, housing 55,000 people, has only one café which stays open after 5.30 pm. All over the city, voluntary groups already provide caretakers for church halls, bowling greens and the like; similar groups could also provide a park-keeping service and janitors for the local schools. (That might encourage the community to make greater use of the schools and even to regard them as in some sense their own.) House repairs, insulation of homes, cleaning graffiti off walls, landscaping – all these are being done by community-based groups in various places. Instead of urban aid grants being made to the social services to enable them to buy minibuses

for transporting their clients, the same money could be paid to community groups to buy buses which could then be hired out to the social service departments, to old people's clubs, youth clubs and all sorts of other users.

All this sounds simple enough, but such projects break a lot of hallowed administrative conventions which protect the interests of powerful institutions and groups. To do that successfully the leading spirits involved must be recognised by the city as legitimate spokesmen for their communities. They may set up a youth club; but can they arrange for the parents who run it to be paid as untrained youth leaders – perhaps in the face of opposition from NALGO?. Can the youngsters even repaint the club's battered premises without provoking trouble from unions representing the city's maintenance workers? What happens if town planners or environmental health officers say the buildings chosen for these activities are not

“Such projects break a lot of hallowed administrative conventions.”

suitable for a club, a shop or a minibus garage? What happens if the Chamber of Commerce objects to the council supporting such enterprises? What happens when the local social security office says that unemployed people spending a lot of time on voluntary work, in training, or engaged in the initial phases of setting up a new enterprise cannot also be “available for work” and must therefore lose their benefits?

The exclusion of the unemployed and the unwaged from the world inhabited by those in the fully employed core of the economy is not an accident. Neither is it due only to idleness or lack of self-confidence. It is systematically orchestrated and enforced by institutions alert to defend these social distinctions – on behalf of the rest of us. The apathy of the unemployed is a result, not the cause, of their

exclusion.

Those who try to work in these new ways are breaking down long established fences: fences between the public and the private sectors of the economy, between statutory and voluntary services, between the employed and the unemployed, between the formal and the informal economies. They are turning the organisation charts upside down – making government more responsive to the citizen and the local, small scale community. In neighbourhoods where the citizen has hitherto been expected only to respond to government – to the rent collector, the school attendance officer, the visiting social security officer, the policeman – that involves radical changes both for public servants and for the people they serve. Such a strategy cannot go far unless it has the support of civic leaders – senior officials and councillors, senior police officers, social security officials, and key members of the trades union and business communities – people who are prepared to accept the area-focused, community-based approach, and who can distinguish between the reasonable and unreasonable demands of powerful institutions and mediate between the contending interests they represent.

3. Next steps

Important though they are, these innovations operate on no more than a tiny experimental scale thus far. They will have to go much further if they are to benefit a significant number of people, or to make any extensive impact on our system of government. Many problems will have to be solved before that can be achieved. Three groups of problems are explained here.

First there is the question of scale. I have called for economically orientated "community-based" and "area-focused" services. But at what scale are these programmes to operate? And are they to operate in every part of the city, or only in a few selected places? We have no proven research findings on these questions: what follows is bound therefore to be speculative. But for the sake of brevity I will offer these speculations in assertive form.

Three scales should be distinguished. I have said the new patterns are economically oriented. If we are to make plans for economic development – for major investments in plant, buildings, urban "infrastructure" and the creation of jobs – then we should consider the whole of a city or conurbation. If for some reason the action has to be focused on particular quarters of the city, those should be large areas containing about 50,000 people – like London Docklands or the GEAR (Glasgow Eastern Area Renewal) project area in the east end of Glasgow. Even big cities form one labour market: as demands for labour rise and fall, unemployment rates fluctuate in similar ways all across their territory.

I have also said the new patterns are community-based. If our aim is to mobilise people to help their neighbours and speak for their neighbourhoods in tenants' associations, resident action groups and the like, we will have to work with much smaller groups, living perhaps in no more than a street or two – their numbers counted in hundreds at most. Other effective community groups linked by common interests and loyalties may not be spatially defined at all: the one-parent families of a

“Debate about the planning and allocation of public resources . . . is best conducted at the intermediate scale of a ward.”

city, a football supporters' club, or particular ethnic minorities, for example. Again, the active participants in these groups will usually be quite small in numbers.

Public services, I have said, are becoming area-focused. Debate about the planning and allocation of public resources – how to allocate houses, and whether to spend money on better street lighting and entry-phones for old people or on the landscaping of derelict sites, for example – is best conducted at the intermediate scale of a ward or – in Scotland – a community council: an area of perhaps 10,000 to 20,000 people, small enough for a committee to know it well, yet large enough to assemble one or two good staff and a sufficient budget to offer scope for real choices.

Action will be required at all three of these scales. If it is confined to the smaller scales, economic strategies will be neglected; if to the larger scales, local residents with an important contribution to make will be unable to participate effectively.

The smallest units in this hierarchy are the essential building blocks of the system. If they are effective, a great deal can be erected upon them. These groups should nominate many of the representatives who serve on bodies operating at the middle level where significant decisions can be taken about resources. Few cities have tried to create such bodies and bring to

gether within them the many interests – statutory, voluntary, industrial and commercial – which operate within a ward or within the kind of area served by one of the Scottish community councils. But several London Boroughs are amongst those now trying to do something like this.

To create such bodies and give them some effective powers is now a high priority for many services. Housing departments are making increasing efforts to consult their tenants; education departments to consult parents. Planners have been trying to do this kind of thing for years. The police are obliged, since the Scarman Report, to set up local consultative bodies. But they cannot each muster effective local spokesmen concerned with their services: there may not be enough of them to go round. Moreover the most effective people want to talk about all the needs of their neighbourhood, not just its schools or its police. (Police liaison committees may attract “police buffs” who wish they had been cops, or “police bashers” seeking to discredit rather than improve the force).

The community council, or its equivalent, will probably provide the best forum for broad-based discussions of this sort. In Scotland they are formed in response to local initiative at the invitation of the District Council which organises elections for them and provides modest funds for their work if they make out a case for that. Our studies suggest they have been reasonably successful in informing a broad cross section of local people about their activities. English authorities do not have to wait for a new Local Government Act before doing likewise: Newcastle has already done something similar for its inner wards.

Should community groups of this kind be set up in every part of the city? There are not enough staff in the public services capable of doing this innovative and politically sensitive work everywhere at once. Moreover there ought to be positive discrimination in this policy: the additional

resources required for the task should be concentrated in the areas where they are most needed, not spread thinly all over the map. Newcastle’s decision to set up priority area teams of councillors, officials and local representatives in thirteen of its most deprived wards provides about the right degree of positive discrimination. But we should not be mesmerised by the journalistic term “inner city”. In many towns it is the improverished fringes, not the inner wards, which need help most urgently.

Area Based Services

This leads to the second group of problems which must be considered. Even in places where systematic attempts have been made to bring together the public services operating in particular neighbourhoods in order to combine and focus their efforts more effectively, the administrative areas and sub-divisions adopted by each service never coincide. The Glasgow Eastern Area Renewal scheme – GEAR – is one of the most effective of these projects. It has been operating for nearly seven years. Yet the National Health Service, the police, the social work, town planning, housing, and education departments and the social security services each have a different system of areas – none of which coincide with each other or with the GEAR area. Even within one local authority – neglecting central government and other tiers of local government which complicate things even more – our cities have no effective system of corporate management for particular areas. That leads to a similar lack of effective research on the workings of the local economy: the data are not available.

These problems do not arise just from a technical oversight. Resistance to the standardisation of areas and management structures is deeply entrenched and – with a small “p” – essentially political. The irreconcilable jigsaw puzzles created by their unmatching areas are an essential weapon in each department’s defences against neighbouring professions and

powers. They will not be changed by the public service professions themselves: overriding political decisions will be needed. Islington, Glasgow and a few other authorities are now working towards that.

The impact of this system on ordinary people can be brutal: essential services are located without any understanding of the shape and structure of the communities to be served. One study we have recently made showed the social security office, the unemployment benefit office and the job centre (each of which a redundant man normally has to visit in order to get his rights) placed far apart. The social workers were in yet another place. Another of our studies showed old people concentrated in an area with no chemist's shop, while new health centres were being located in places which will compel their patients to make unnecessarily long journeys to see the doctors. Things will not change until some equally brutal decisions are taken by civic leaders determined to make an area-focused and community-based approach to public service effective.

A Community Approach

What will that cost? This brings me to my third group of problems. Enthusiasts for community and the informal economy have sometimes implied that they are viable alternatives to more conventional public services and commercial enterprises. But the vigour of community action and of marginal and unorthodox sectors of the economy depends on the vigour of more conventional systems. The community-based approach can eventually save public authorities a lot of money in neighbourhoods where it has brought high rates of mobility down, got empty flats filled, and reduced rent arrears, vandalism and disorder. But even in neighbourhoods like that it has called initially for more and better staff, spending more on maintenance and repairs. Meanwhile more vision-ary proposals for the development of

mutual exchanges of services among unemployed or under-employed people ("I'll repair your car if you paint my front room, and then we'll cultivate an allotment together" is the model) cannot work unless those concerned can buy motor spares, paint, garden tools and seed. Since people living on social security benefits cannot afford these things, public authorities would have to support such schemes. Likewise, if community businesses are to sell the products of their work on a wider market they must find customers sufficiently prosperous to buy their wares.

If grants under the urban aid and partnership programmes were abolished, as they could be at any time, a lot of the innovations which have inspired this pamphlet would collapse overnight. While central government funding has launched some creative initiatives it has also helped to preserve the basic structure of conventional programmes unscathed by making it possible to start new things without transferring resources from older programmes. Harder decisions will have to be taken if these developments are to go further. In the USA experiments of this kind have often been carried forward with the support of funds from private enterprise. We can secure more help from this quarter in Britain if we try harder to get it. But the lion's share of the funds required will have to come from the taxpayer and from a general improvement in the economy.

That economic revival will call for quite different policies, deployed on a national and an international scale. The local developments I have advocated do not offer us a means of knitting our own way out of a world-wide economic crisis. The larger reforms required for that purpose will be exceedingly difficult – not technically but politically. There are so many lions in the path. Major institutions within the trade union movement, the City and the EEC will resist incomes policies, restraints on the export of capital and on international trade and other steps re-

quired to bring about change.

Bolder action may have to await a breakdown in public order, the bankruptcy of public authorities, or a combination of several such crises. Many reformers are now hoping for turbulence which may open up opportunities for change. But it would be rash to assume that crisis will evoke a humane or progressive response from the British people. In their present mood, a primitive "crack-down" leading to the arming of the police, the loss of civil liberties and the deployment of the army on our streets may be more probable. Northern Ireland shows that pattern. How we respond in a crisis will depend on the relative strengths of different kinds of grouping within Britain, and the kinds of loyalties they generate.

The rare examples of forceful resistance to unemployment, impoverishment, exclusion and humiliation have generally owed a good deal to groups with some distinctive common culture which enables them to reject the dominant values of a complacent and conservative society. Catholics in Ulster and blacks in the inner cities of Britain have played this kind of part. But by themselves these outbreaks are apt to be dismissed and repressed as "race riots", "IRA terrorism" or other kinds of subversion. It is only if leadership can also be given by sufficiently encompassing groups – capable of speaking for the nation or the local community as a whole because they represent sufficiently large proportions of people at national or local scales – that a more constructive response can emerge. In Ulster no such encompassing groups exist. That is what happens when the state loses credibility with its citizens. The new developments I have noted may help to restore public confidence in government, central and local. Those on the far Right and the far Left who are hostile to the state as such may pull down the institutions around which humane and unifying loyalties can be mobilised – loyalties we destroy at our peril.

Our aim should be to keep alive the ideals of the heroic post-war age – the drive for fairer shares, greater equality and compassionate concern for human needs – but re-interpret these traditions in new ways.

It may be no accident that many of the most hopeful examples of the new trends are to be found on Clydeside, Tyneside and other places where Labour is in power and still linked pretty closely to its social origins in the skilled working class. It may be easier in these places for local councillors to focus on social problems rather than social services, and to evaluate the options before them with a keen sense of the needs of working people. It may also be no accident that in last May's elections Strathclyde was the only place where the Labour Party made significant gains (apart from the odd case of Islington, throwing off its brief SDP putsch).

If local government works more closely with the communities it should represent, that in turn will ensure that the need to enlarge economic opportunities is not forgotten – for those are the opportunities which working class people are mostly concerned about. Public services which operate in this way may then also be led to devolve powers, to tolerate variety, and to govern in more open and accountable fashion.

Meanwhile to the reformers who plod on, cultivating the growing points of these new patterns of government, the possibility that they may one day help to change the world must seem as remote as universal suffrage must have seemed to the early Chartists. But when fundamental changes in social arrangements begin to come about, things tend to move fast. There is little time for public inquiries, research or carefully monitored experiments. People then turn for guidance to anyone who seems to have convincing experience to offer. Obscure reformers and innovators may suddenly find the world beating a pathway to their doors to learn from what they have been doing.

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Urban Policy: a new approach

The welfare state and its local government arm are in crisis. The traditional post war organisation of local and central government services is under attack not only from Tory privatisation and cuts but also from a revival in the local government focus of socialism of the Guild Socialists and many early Fabians.

This pamphlet analyses the failings of the functional, specialist, professional and centralised services we have become used to and looks at the need for a new approach based on the solution of problems rather than delivery of a service: an approach economically oriented, area focused and community based to tackle the problems unresolved by traditional organisation and themselves the cause of an alienation to the very (remote and professionalised) services provided.

Professor Donnison draws on the experience of the Glasgow Eastern Area Renewal Project and other decentralisation schemes in putting forward his idea for a new relationship between governors and governed. It is particularly welcome in the context of the recent initiatives by Labour local authorities in, amongst others, Walsall, Islington and Hackney.

Fabian Society

The Fabian Society exists to further socialist education and research. It is affiliated to the Labour Party, both nationally and locally, and embraces all shades of Labour opinion within its ranks – left, right and centre. Since 1884 the Fabian Society has enrolled thoughtful socialists who are prepared to discuss the essential questions of democratic socialism and relate them to practical plans for building socialism in a changing world. Beyond this the Society has no collective policy. It puts forward no resolutions of a political character. The Society's members are active in their Labour parties, trade unions and co-operatives. They are representative of the labour movement, practical people concerned to study and discuss problems that matter.

The Society is organised nationally and locally. The national Society directed by an elected Executive Committee, publishes pamphlets and holds schools and conferences of many kinds. Local Societies – there are one hundred of them – are self governing and are lively centres of discussion and also undertake research.

