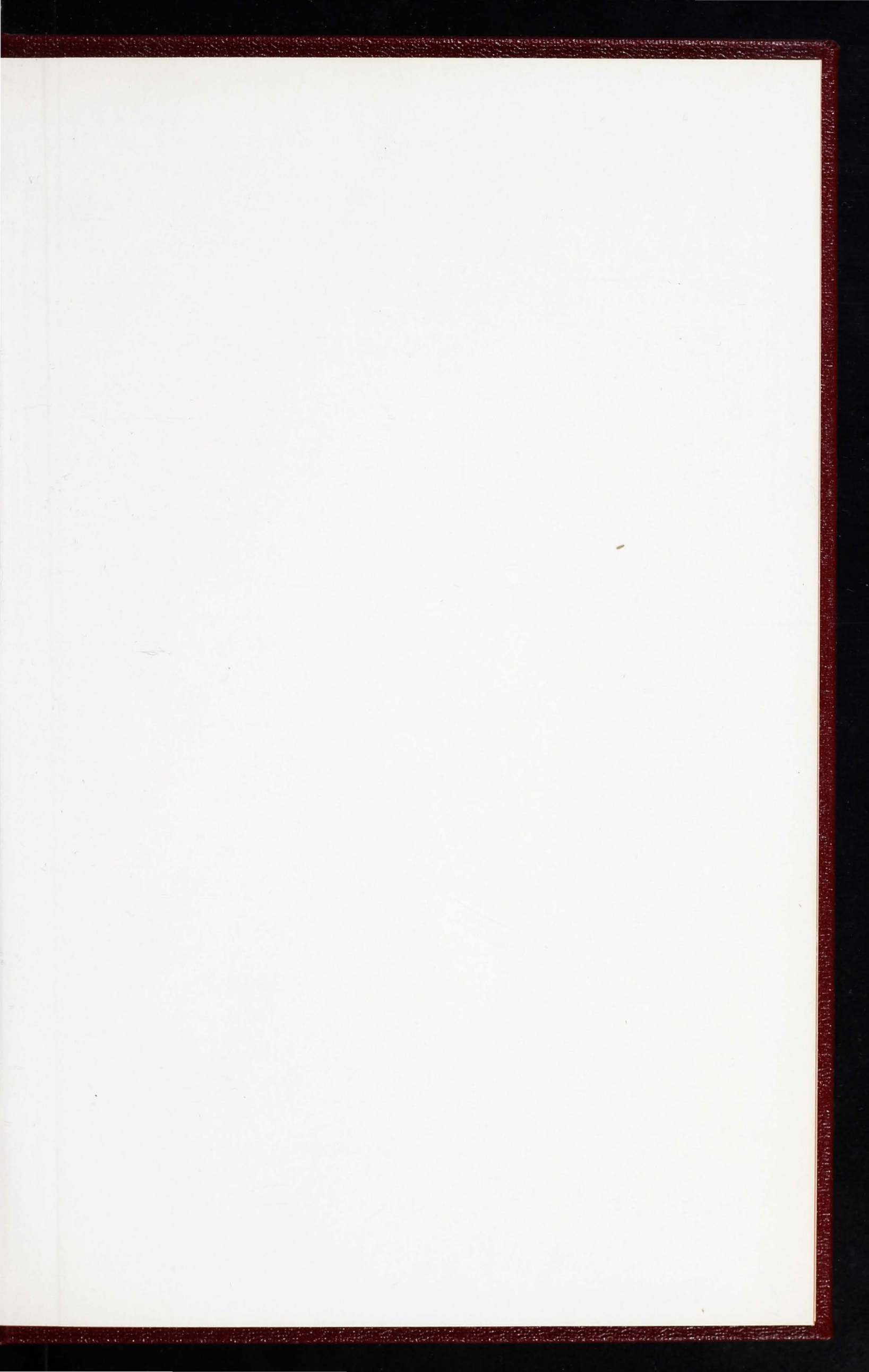
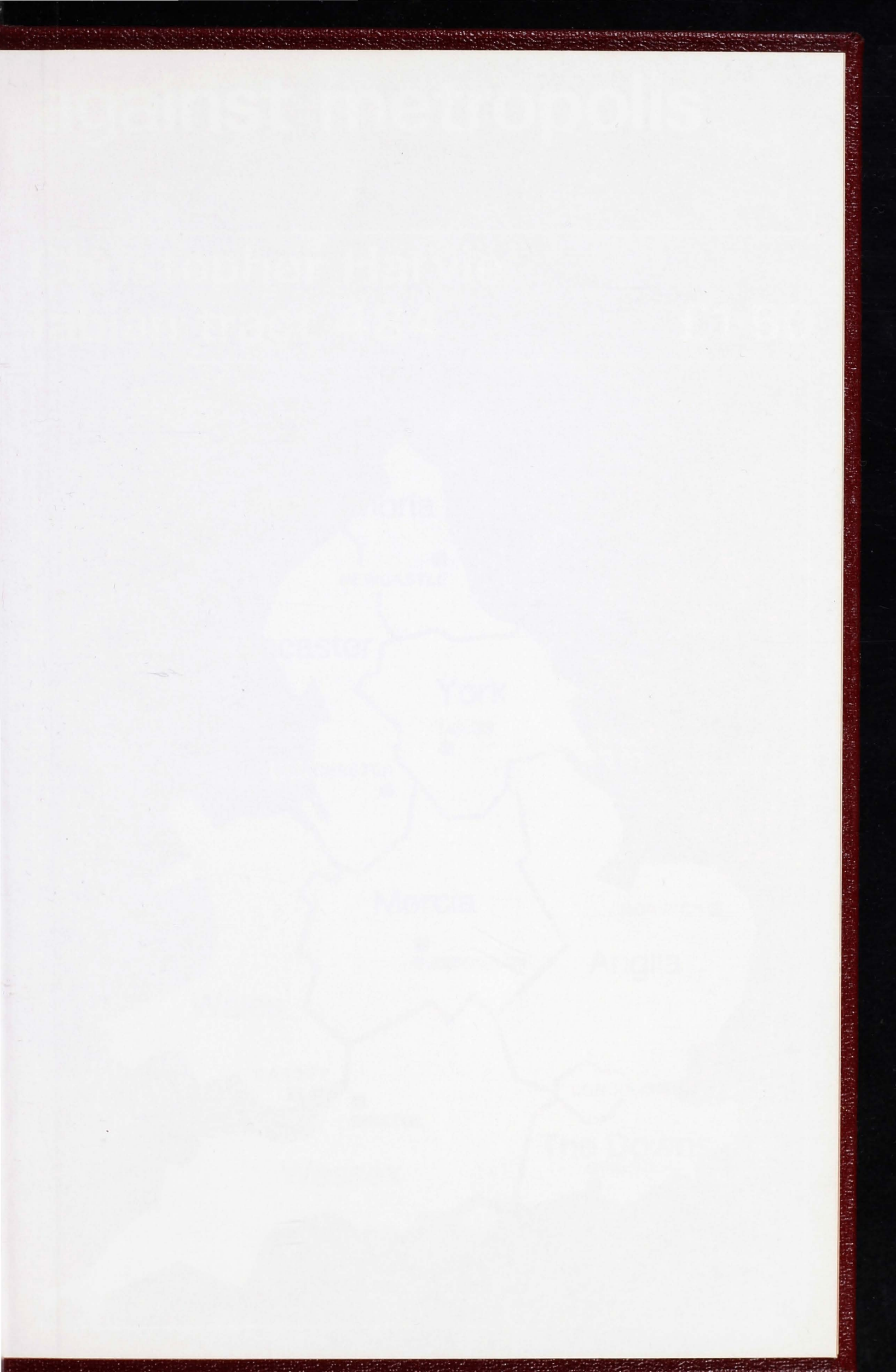


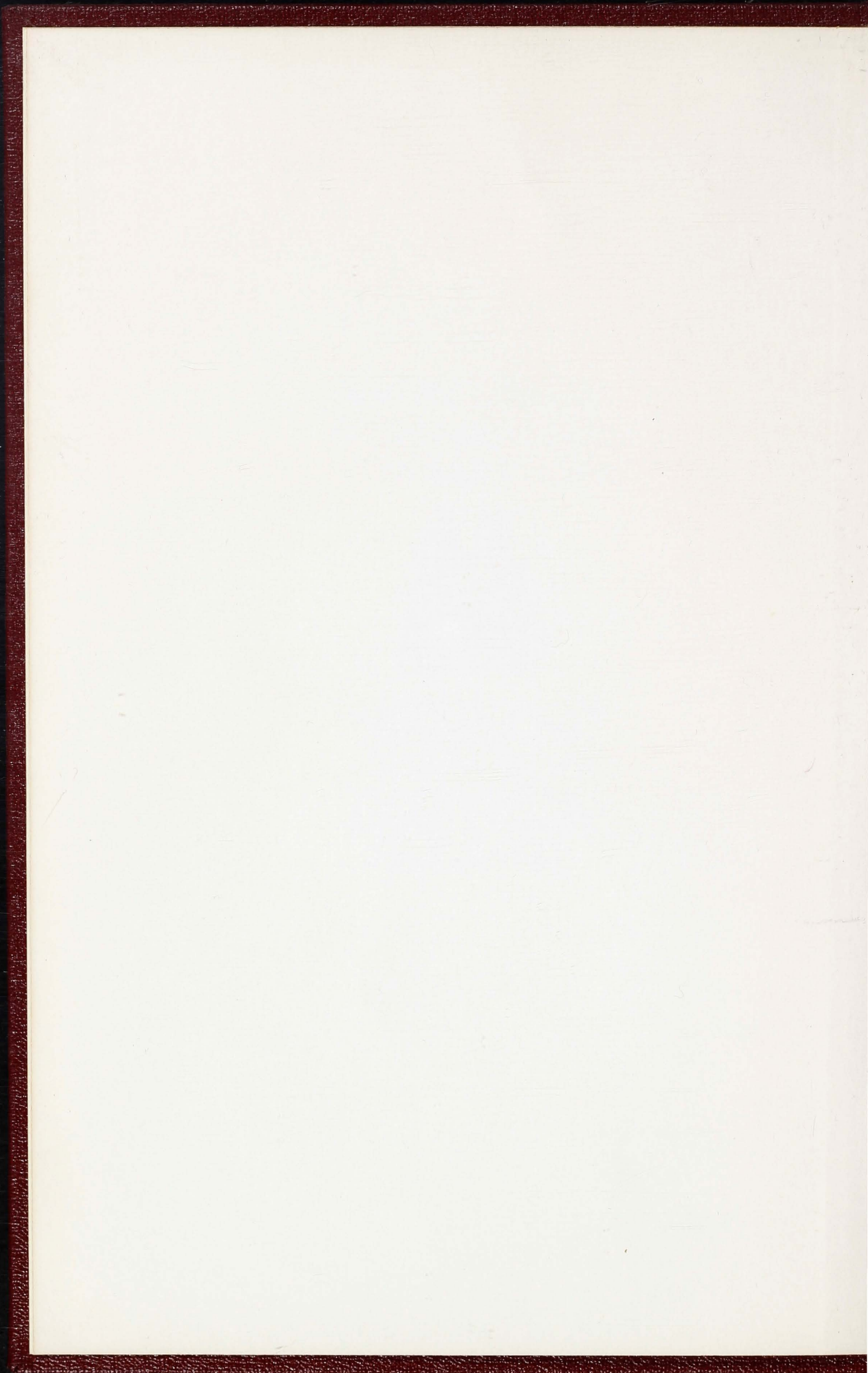
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Against Metropolis: socialism and decentralisation

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Fabian Society, 11 Dartmouth Street, London SW1H 9BN.

October 1982
ISBN 7163 0484 8
ISSN 0307 7535
Fabian Society,

11 Dartmouth Street,

Cover design by Dick Leadbetter
Printed by Blackrose Press (TU)
Photoset by Range Left (TU)
London SW1H 9BN.



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1. Democracy, Socialism and Metropolis

Fashionable Decentralisation

When the Whig Sir William Harcourt said in 1894, 'we are all socialists now', he seemed to endorse the Fabian ideal of gradualist collectivism. In 1982, who, outside the Labour party and points left, could say this? Gradualism seems no longer inevitable; a strong individualist counter-current is making way. But we are all decentralists now.

The Social Democratic Party (SDP) pays tribute to 'small is beautiful' and conjures up a regional second chamber; the left's recent *Manifesto* (Fontana, 1981) defines its 'socialist society' as a 'powerful society with a minimal state'. The Liberals persevere with federalism; Labour remains committed to Scottish devolution. Even the Tories have justified their market economics as 'restoring power to the people'.

We are, most of us, hypocrites as well. Mrs Thatcher's government has throttled industrial autonomy with high interest rates and local government with direct intervention. The Labour leadership has shown little enthusiasm for devolution and the left's true *étatisme* is never far from the surface in *Manifesto*: "Our immediate strategy is to use the centralised power of a democratised state, in alliance with a majority of the population and the organised Labour movement, to create a fairer and more equal society."

How long the SDP's promises survive presumably depends on the support it gets. Its best chance of success is in south-east England, which cares but little for decentralisation, perhaps like the SDP as a whole? Its recent economic policy doesn't

seem to mention it, and its ideal of enduring coalitions achieved through proportional representation seems implicitly designed to strengthen the power of central government.

A Political Awakening?

And yet, the rejection of the traditional state, the declarations of belief in decentralisation, are part of a process which is rapidly dissolving the conventions of British politics. Parties assert themselves over their leaders; political meetings, dismissed as moribund, draw unprecedented eecrowds. Abstract ideas – definitions of democracy, arguments over representation or delegation – occupy activists, pushing aside discussions of 'positive' legislation. Political publications, from the journal *Marxism Today* to *Politics is for People* (Shirley Williams, 1982), sell on station bookstalls; local government leaders – Ken Livingstone, David Blunkett, Eric Milligan – and their policies move into the forefront of controversy.

Much of this stems from economic crisis: fewer resources mean fundamental debates

about their allocation. But it also means the end of elitist assumptions about the extent of 'political society', common to the main parties since 1945 – and still, ironically, preserved by the Oxbridge leadership of the SDP.

So far, the rhetoric of 'mould-breaking' has counted far more than actuality: the SDP is a catalyst, not a vehicle for new political ideas. If the Labour party seems, disastrously, to have lost direction, the SDP has simply demonstrated that the trouble is not due to a well-organised left but to the collapse of the broad church's foundations. Could anyone now write like Anthony Crosland in *The Future of Socialism* (1956) 'of a peaceful revolution'? "*one cannot imagine today a deliberate offensive alliance between Government and employers against the Unions on the 1921, 1925-6 or 1927 models... Instead the atmosphere in Whitehall is almost deferential, the desire not to give offence positively ostentatious... although the ultimate power of course remains in the hands of top 'lay' management, more and more influence passes to the technical experts and specialists... This particular change in the character of the decision-making function naturally calls for men with a different outlook... from the traditional capitalist.*"

1956 was a very long time ago. Britain was still a major world industrial power; its industries dominated by the traditional 'staples', its working class, socially, closer to 1920 than to 1980. Since then a lot has changed, and as significant as the decline of the authority of the state and Britain's industrial decay has been the renaissance of London as a financial metropolis. "The heart of the Eurodollar market", as C P Kindleberger reminded us in 1974, "beats in the American and British banks in London". (*The Formation of Financial Centres*, Princeton, 1974). Whatever the fortunes of UK industry, the City has prospered. £900m was invested abroad by it in 1979; after the abolition of exchange

controls, this has risen to an average of £4,000m a year.

Servitor Capitalism

Crosland's *New Fabian Essay* "The transition to Socialism" (Dent, 1952) saw capitalism as doomed to be caught by the net of the state, and then tamed. How utopian this now seems! The net merely spanned the industrial sector (which had never anyway been a significant part of finance capital); the most significant institutions easily evaded it and regrouped. Their evolution has in fact been in the opposite direction from Crosland's 'statism'.

20 per cent of 'free world' production in the 1970s came from multinational companies (which Crosland completely neglected) and 'new' industries are increasingly based in NICs (Newly Industrialised Countries) in low-wage areas of the third world. The City of London has performed a valuable role in this, particularly after the crisis of 1973-74. By recycling the profits of oil it helps sustain such 'enterprise' and enables its owners and managers - corporate and individual - to purchase security, good taste and social prestige. London is the essential link: stable, accommodating, culturally well-endowed and close to a sympathetic government, as the Conservative party has shifted, since the early 1950s, from reflecting industry and agriculture to representing - especially in its upper echelons - finance. To enhance the wealth of its clients and relieve them of it, London provides everything from the elaborate mechanisms of City, law and the luxury trades to the undergrowth of gambling houses and clip-joints. Increasingly, this is reflected in its employment and social structure: a network of skilled manual trades, professionals and entrepreneurial groups service the City and th-

citizens from the affluence they had helped create. Provincial government might have coped with both these problems, but the bourgeoisie itself was changing; the elite was coopting its younger members through reformed Oxford and Cambridge; its image was disseminated through parliament, administration, schools and, above all, press and publicity. London may not quite have been a British metropolis, but was an imperial and English-language capital, which rapidly attracted the media to it. Nonconformists, coping with internal divisions and Anglican competition, moved their colleges and papers south. Middle-brow publishers, the mass-circulation press, the modern literary machine of agents and best-sellers soon followed. The means of discussion were skewed in favour of the capital. The first Fabians, 'young provincials, footloose in London', helped modernise its government and educational system, accelerating this process and benefitting from it.

In 1886 the bourgeoisie was tested and knuckled under. Chamberlain shifted to the right, and the infant socialist movement inherited devolution. Fabian 'permeation' put a progressive gloss on an expansion of the central state which was intended to check socialism rather than to further it.

How much did the subsequent imperial decades enhance London's power? Despite the legendary wealth of Park Lane, probably relatively little. The Colonial and India offices needed only a small staff; the Dominions were now self-governing. Imperial trade created informal bureaucracies in Manchester and Leeds for textiles, and Liverpool and Glasgow for shipping. Such places still had powerful elites, in education, the churches, newspapers, among MPs and on the town council. Manchester between 1900 and 1914 had Ernest Rutherford and Chaim Weizmann at the University, L T

Hobhouse, J L Hammond and J A Hobson writing for C P Scott's *Manchester Guardian*. It had the Hallé Orchestra and Miss Horniman's Repertory Theatre with its own school of realist playwrights. Winston Churchill and Arthur Balfour were local MPs, the radical Liberal Ernest Simon a leading figure on the town council. Mrs Pankhurst started the Women's Social and Political Union in Manchester, and R H Tawney conducted his pioneer Worker's Educational Association classes from there. The 'New Liberalism' of collectivism and social reform which might have brought, through 'home rule all round', a further opportunity for provincial government, was a Manchester product. And Manchester was not alone, before World War I.

A Headlong Shuffle

That war accelerates social change is a truism, but perhaps only a resounding defeat can provoke reflection on whether this change is beneficial, and what it implies for the constitution. In Britain, in the absence of defeat and constitutional debate, the one unchecked trend was towards centralisation. In World War I government intervened more, and coopted provincial elites to replace an inadequate establishment. This centripetal tendency was reinforced by changes in industry and technology. After 1923 four London-centred railway monopolies replaced 120-odd companies, only ten of them London-based; the same trend happened in banks and shipping. Further, the provincial staple industries, already over-expanded to meet wartime demands, were menaced by worsening trade (aggravated by the City's insistence on a dear money policy) and mounting foreign competition. The industries which expanded – cars, chemicals, electrics and services – were mainly organised as large public, multinational or

semi-monopoly companies. They wanted an expanding market, and sited their works near it in the south-east.

Labour and the Conservatives did little to intervene, nor did local government. Socialism, depression, and Liberal collapse panicked the old provincial elites into rate-reducing 'moderate' alliances, until in 1929 the Conservatives aided them by derating industry and substantially replacing rates by grants. Labour seldom gained majorities in local councils until the 1930s, and had to learn the business from scratch.

The slump's economic consequences proved temporary – the 'staples' picked up rapidly during and after World War II. Its cultural, and by implication political, effects were far more serious.

In Arnold Bennett's novel *Lord Raingo* (1926) the hero – a northern industrialist drafted into war government – is gripped by pneumonia. His heart, labouring to pump out the blood from his lungs, overstrains itself and he dies. This intelligent, terrifying metaphor could stand for the impact of World War I on the provinces, and possibly also for a realisation on Bennett's part that the tradition of provincial intellectual life – energetic, cosmopolitan and didactic – which he represented was being overwhelmed.

The slump coincided with the onset of new communications technology and ensured that the provinces would only participate in it at second hand. By itself, the slump was bad enough. J B Priestley's *English Journey* (Heinemann, 1935) caught the provinces on the slide. His description of Birmingham was almost emblematic: "In two minutes its civic dignity, its metropolitan airs had vanished, and all it offered me, mile after mile, was a parade of mean dinginess . . .".

Priestley not only noted the impact of economic collapse – most dramatic in a Lancashire stricken by Far Eastern competition – but the changes which new industries brought: fewer skilled work-

men, and instead a relatively small group of 'planners' and a large unskilled workforce, often female. The provincial middle class, now beginning to commute by car from the countryside, was less cosmopolitan (the German-Jewish community had been expelled from Manchester and Bradford after 1914) and more London-oriented. The vacuum was filled by a narrow-minded, reactionary puritanism. Priestley's heart was in the right place. Norwich, one of the few places he enthused over, got him arguing in favour of decentralisation: "A democratic system assumes that nearly everybody is taking an interest in government. The more difficult it is for anybody to concern himself in political matters, the worse it is for democracy. Centralisation is one of the deadliest enemies of the system. For this reason alone there is much to be said in favour of regional government in England . . . such government would bring a new dignity to provincial life, just as it would increase the importance of the various new provincial capital cities, where the deputies or senators meet."

But the litany of "drabness, seediness, hopelessness" remained, amplified by Orwell in *The Road to Wigan Pier* (Gollancz, 1936) and the photojournalists of *Picture Post*. Like Priestley, they came, sympathised, spoke up for planning, but they saw the provinces as patients, not agents. The image – though not the engagement or the hope – has hung on, in Philip Larkin, Kingsley Amis and Malcolm Bradbury.

After 1934 the National Government spent some money on 'Special Areas' in Scotland, Wales and the North (although it also subsidised the transfer south of some 250,000 people, 1928-38). But the housing and consumer goods boom which 'protection' and 'cheap money' brought about helped reduce unemployment in London to 6.3 per cent in 1936, compared with 21.3 per cent in Scotland. Pressure on infrastructure was met by the nationalisation of

London's transport (1932) and low-interest loans for railway electrification, while Labour's capture of London in 1934 enabled a growing rates income to finance welfare and housing improvement. This in turn boosted new consumer goods and service industries, from building societies and hire-purchase companies to chain stores like Marks and Spencer and Tesco.

Even Conservatives worried about this imbalance. Baldwin's appointment of the Barlow Commission (1937-40) into 'the distribution of the industrial population' stemmed both from the threat of bombing, and the 'over-heating' of the south-east. Government-sponsored bodies such as the Scottish Economic Committee told Barlow that a Scottish planning authority with spending power (like the Scottish Development Agency of 1975) should be set up. Labour was divided. The Fabian local government expert W A Robson urged larger regional authorities which could encourage economic growth, but Hugh Dalton, in Labour Party enquiries of 1937, emphasised central planning. Both Barlow's 1940 report, and the later 'Keynesian' stress on regulatory fiscal policy, echoed this, and it was given reality in the Distribution of Industry Act (1945). Local authorities were restricted to physical planning, and further inhibited by the New Towns policy. By the 1970s most of these had been built to take London overspill, and lay securely in the shadow of the capital.

Meanwhile new technology was used to impose a single cultural pattern. Reith's BBC certainly promoted material of high quality, but stifled promising local initiatives. The rich markets of the South naturally attracted films and advertising, which in turn lubricated the migration of press and publishers. After the *Guardian* moved south in 1957, the only quality dailies left outside London were Scots or Irish, along with a handful of weeklies and about 10 per cent of major publishers. The

contrast with press and publishing in Europe is dramatic. A glance at *The Bookseller* will show the extent to which books have become products rather than means of information and any copy of the *London New Standard* demonstrates that centralisation no longer guarantees choice, fairness or quality. (Autonomy does at least give the left a hearing. In 1945 every Scottish daily supported the Conservatives; in 1979, unlike in England, the Tories were left with the Manchester-printed *Scottish Daily Express*.)

State aid after 1945 further strengthened London; today, 25 per cent of the Arts Council's budget goes on four large London companies. Jenny Lee certainly got the provinces a better deal, but since 1970 the South Bank and Barbican complexes have swung matters in favour of the capital. Whether or not such 'centres of excellence' benefit the rest of Britain, they certainly benefit London's international role. Did anyone think it unusual when *Nicholas Nickleby* transferred from London to Broadway at \$100 a ticket? It would have seemed odd had it opened in Leeds.

We are dealing here with a *mentalité*, something which dominates – unquestioned – action, habit and language. We defend the *Nickleby* business with a world like 'excellence' but how do we define it? As expertise which we trade in the international, English-speaking market, or a means of enriching the lives of our citizens? If, as socialists, we accept the second definition, can we justify the inequalities which result from the concentration in London of so many of our cultural resources?

Our intellectual 'authorities' tell us that their idea of metropolitan life is stimulating, liberating, and inevitable. But how does it compare internationally? Is it not still rather like *Scrutiny's* indictment of Bloomsbury: "a little world in which social life made the exercise of critical judgement bad taste; every member accruing to the

group became entitled to eminence . . .”

The blessing of not being uprooted by fascism and war seems to have produced complacency, parochialism and nepotism, not rigour and originality. Still, the elite coins our vocabulary and its basic values, and excludes alternatives, however cogent.

The ambitious maintain that London is the centre of action and information (look at the career of virtually any Labour cabinet minister). They continue to maintain this when driven by expense and stress to the Dordogne or Sussex where they are more isolated than in any provincial town. Politicians – above all Michael Foot – celebrate the drama of parliamentary combat. Yet it has been poor compensation to Labour, out of office, for the isolation of its leaders from executive experience. Party history between 1951 and 1964 generated Crossman's *Backbench Diaries*, Philip Williams' *Hugh Gaitskell*, and Foot's *Aneurin Bevan*, 3000-odd pages which show talented men, who in a federal state could have been furthering socialist legislation in the regions, and mastering the civil service, rotting on the opposition benches. The result was a cabinet (1964-70) rich in academic talent and pitifully destitute of results or respect.

Mentalités feed back into society. Our 'self-governing' bodies, finding their autonomy diminishing, became pressure-groups. In Europe, regional bodies act to amplify local interests, or act as arbiters between them. British pressure groups aim at Westminster, and adopt many of its elitist approaches. London attracts pressure groups – over two-thirds of them – but its high costs expel them to remote suburbs and new towns. Are the wastes of Milton Keynes nearer to power than Bristol or Liverpool?

The Misfortunes of 'Planning'

'Planning' is a word that Labour makes

meaningless through over-use. But it is not a socialist concept: it originated in centre and centre-right groups in the 1930s. And, anyway, the British have never been much good at it. In the words of a French commentator, Jacques Leruez: "It has never been more than a succession of isolated efforts which have led to nothing, and which have been temporary expedients rather than thorough-going reforms." (*Economic Planning and Politics in Britain*, Martin Robertson, 1975). After World War II, it was mainly concerned with the nationalised industries, themselves almost wholly in the service sector, while Labour's regional strategy was a relative failure.

This had two aspects. Under the 1945 Act the Board of Trade allocated industrial development certificates and constructed advance factories while local authorities zoned land for industrial use. A variety of new industries flowed into the 'development areas' until 1947, when the financial crisis forced its curtailment. Given the scarcity of factories and housing in the blitzed south this would, however, have happened anyway. The policy was no more than marginally useful.


The Conservatives neglected regional policy in the 1950s, spending less on it, in real terms, than in the 1930s. The destruction of their rivals gave shipbuilding and engineering an Indian summer of prosperity, until, after 1957, they had to compete with up-to-date German and Japanese works; by 1961 whole industries were falling apart, even where – unlike in the 1930s – the global demand for their products was soaring.

Labour's enthusiasm for regionalism before 1964 accompanied its promise of 'scientific revolution', and was rather low-key, as the idea had already been pre-empted by Harold Macmillan. As important as alleged French precedents was the lobbying of road and construction interests which had proposed, in the *Buchanan Report* of November 1963, a

new structure of regional government. Under the National Plan of 1965 regional regeneration was seen as a means to faster economic growth, drawing labour surpluses into play to increase GNP by the magic 3.8 per cent per annum. But the qualitative schemes of the new Regional Economic Planning Councils were mainly ignored; by the time they were adequately serviced by civil servants the Department of Economic Affairs had been conquered by the Treasury, and the whole growth strategy was in ruins.

The decade 1964-1973 saw regional economic assistance increase in real terms by over 750 per cent on the preceding decade. Yet there was only slight change in the unemployment picture, which overall had worsened. And unemployment was only one indicator of economic decline. Scotland lost 94 per cent of its natural population increase by emigration, 1961-71; between 1966 and 1971 government investment valued at £641m added 105,000 jobs in Scotland, but at the same time 156,000 jobs were lost, and the new jobs, mainly in 'branch factories' of multinationals, depended on decisions taken and research carried out elsewhere. Government research expenditure in Scotland during the 1970s was only half the country's entitlement by population. In northern England it was even less, and two-thirds of that went to nuclear research. Growing amalgamations and specialisation have aided the south-east and made provincial economies less resilient and adaptive; the Scottish unemployment rate in October 1981 was 14.4 per cent, compared with a 8.9 per cent rate in south-east England. Without the employment provided by the oil industry it might easily have reached 18 per cent.

In the era of property speculation, investment trusts and asset-strippers, a more politicised City has intervened more – and with destructive effect – in British industry. The Monopolies Commission's *Report on*



the proposed takeover of the Royal Bank of Scotland, of January 15, 1982, made the results of the 'greater efficiency' of London control bluntly clear: "*In certain cases the comparative economic difficulties of regions such as Scotland have been accentuated by the acquisition of locally managed and controlled business by companies from outside . . . an important factor in Scotland's economic difficulties has been the progressive loss of the morale (this) has caused . . . Entrepreneurial spirit and business leadership depend critically on self-confidence, and on balance we believe that such self-confidence has been weakened*".

It is the same with the state corporations, remote from their workers and consumers, and often defended by regional 'advisory' groups, picked from the politically 'sound' rather than the imaginative, which inoculate them against reform. They present all the arrogance of corporatism (second-rate Labour politicians abusing consumers before graduating to city boardrooms and abusing socialism) with none of its stability of policy. In important areas state corporations have wilfully destroyed regional initiatives. International airports, for instance, could have been made the focus of regional growth. At the moment Prestwick Airport is being allowed to decay, while plans are advanced for a third London airport.

The coordination of regional policy with local government and educational reform could have helped revitalise provincial life. By setting up Royal Commissions on local government Labour made legislation impossible before 1970, by which time 'obsolete' city councils had torn apart their centres with motorways and stacked their citizens in tower blocks, while education policy produced needless competition in high education. Richard Crossman's Coventry exemplified the result: a sterile city centre and a campus university remote from and irrelevant to local people. Yet Crossman, surveying the student revolt in

1968, had the nerve to reject his earlier faith in democracy, and claim that the 'enlightened oligarchy' which gave us this was the only possible way of governing Britain!

Avoiding Devolution

The Scots and Welsh, with their own administrations and cultural traditions, expected more of the government, and were the first to rebel. Prematurely, alas. Wilson buried this discontent beneath the Crowther/Kilbrandon Commission, which he then forgot about. The Conservatives, never tortured by scruples, forgot their devolution pledges and completed local government 'reform' in 1973, before Kilbrandon had reported.

Labour's 'regionalism' actually implied further centralisation. Regions had to lobby in London to attract employers, who in turn wanted takeovers and amalgamations as a *quid pro quo*. Would a strategy of local public investment not have been better? This worked well for Norway in the oil boom of the 1970s, while Scotland and the north east failed dismally to benefit from it. The Scottish and Welsh Development Agencies (1975) were a back-handed recognition of the failure of central control, but they had scarcely been set up when the recession arrived. Before then, there had been no detailed analysis of how the regional economies actually worked.

Since then, with Thatcher's scrapping of the English Regional Economic Development Councils and Industrial Development Certificates, the position has worsened.

The Kilbrandon Report would have died but for the revival of the Scottish National Party (SNP) in 1973; when the Scots accepted Labour's devolution compromise at by-elections in 1978, Labour MPs felt free to wreck it. Westminster's attitude to regional government had been compounded of such panic concessions and opportunist betrayals. Most English Labour MPs have preferred stasis to action; they would rather destroy devolution than try to extend it to their own region.

Clement Attlee argued in 1946 that "*it was in economic matters that there was the strongest pressure against separate administration for different parts of Great Britain.*" The experience of 1945-51 scarcely endorsed the view and since then, within the mixed economy, centralisation has extended the values of the City into the administrative structure, rather than enhancing public participation and social responsiveness. The mixed economy, with the market as servant not as master, is still a workable compromise, but its decisions must be made at a level where the interests of business – state, private or multinational – are governed by the needs of the community as a whole. This can no longer be done in London, but the bodies responsible must be accessible and recognised and their representatives powerful and well-informed. We need to create a new socialist basis in provincial government.

economic principles more strongly than their belief in democracy – and are skilful and ruthless when it comes to preserving them. But it is unlikely to come to that. In the face of Labour's confusion, the 'metropolitan' option can be marketed successfully, promising general stability, satisfying certain groups on the left, and providing at least enough prosperity to keep vital groups of electors loyal.

The evolution of servitor capitalism has, however, something of the symmetry of Marx's dialectic: it creates its own opposition. Where multinationals have eroded autonomous capitalism most deeply – above all in the British provinces – a new political generation is discerning the links between third world exploitation and British economic centralisation. In contrast to the simplicities of *Manifesto*, a recent study of *Scotland, Multinationals and the Third World* (Mainstream, 1982) shows the extent to which provincial Britain's economic and social future depends on finding a new relationship with the developing world. If we can get this relationship straight, we can export products and expertise which enhance the ideals as well as the techniques of our welfare state, and transmit our painfully-acquired experience of multinational capitalism.

If the world changes in the way that we, as socialists, want it to, Britain must change as well. The more rapid the changes in Britain, the more hopeful the prospects for a new world economic order. Otherwise, Orwell's accusation still stands: "*All left-wing parties in the highly industrialised countries are at bottom a sham, because they make it their business to fight against something which they do not really wish to destroy. They have internationalist aims, and at the same time they struggle to keep up a standard of life with which those aims are incompatible...*" (Rudyard Kipling, 1942).

The Socialist Commonwealth

Decentralisation seems remote from the trend of administration – save in Scotland and Wales – because it echoes the view, hitherto possibly more articulated by the right than by the left, that self-government has sufficient intrinsic merits to outweigh the dislocations and inequities that inevitably accompany it.

But it also has forces making for it. Firstly, confidence in the coercive apparatus of the nation-state may have decreased, but the impulse towards collective action at a local level has grown. John Ardagh, in his study of provincial Europe, *A Tale of Five Cities* (Secker and Warburg, 1979) noted that 'social action' was most marked in his British city, Newcastle: "*On Tyneside, all is participation and involvement. In fact the more voluntary the service, the better it works, very often*".

This amounts to a political economy of cooperation, and its momentum can be awesome, in movements to help the handicapped or elderly or to preserve the environment. Our task can be exemplified by the need to win over the hundreds of thousands devoted to preserving our industrial past, and turn some of their energies to ensuring our industrial future.

Secondly, there is the impulse of altruism, not quite as peremptory as Beatrice Webb's 'sense of guilt', more like the 'herbivores' who Michael Frayn described in a famous essay "...gentle ruminants who look out from the lush pastures which are their natural station in life with their eyes full of sorrow for less fortunate creatures, guiltily conscious of their advantages through not usually ceasing to eat the grass" (*The Age of Austerity*, Hodder and Stoughton 1963).

Herbivores are important. They are not, as our outside left (really a sub-species) would claim, natural members of the SDP.

Governments and Cabinets

If we divide the major subject-groupings of government into ten main areas, responsibilities would be split roughly thus:

RESPONSIBILITY	PROVINCE	WESTMINSTER
Agriculture research	land, training, planning, co-operatives	> relations with EEC,
Education	all levels, inspection, libraries, museums	> some research and general planning; examination co-ordination
Energy	generation and supply	> grid supervision
Environment	urban and public land, local government, housing, waterways	> environmental standards and research
Financial	provincial state banks, some revenue raising, savings schemes, provincial pension funds	= revenue raising and allocation, central banking, audit, currency
Foreign, Commonwealth Defence	aid programmes, consular and EEC representation	< foreign and commonwealth relations, defence
Health and Social Services	NHS, supplementary benefit, individual social services	> national insurance, 'historic entitlements' appeals, inspectorate, research
Justice	prisons, most crimes, police, employment, some financial aid	= overseas trade, national planning, monopolies
Trade and Industry	regional development, employment, some financial aid	= overseas trade, national planning, monopolies
Transport and Communications	provincial transport, airports, tourism	> national networks, overseas links

- > Indicates that provincial responsibility is greater than Westminster's.
 < indicates the reverse.
 = indicates the division of powers is roughly equal.

The provincial governments would be organised on 'cabinet' rather than 'committee' lines, as the 1979 Scotland Act envisaged, and the specialist committees of the provincial assemblies would bear the brunt of detailed legislation and supervision. The switch of large areas of responsibility to the provinces should allow the reform of the policy-making level of the civil service (federal and provincial) to integrate ministerial staffs recruited for the duration of the government. Restriction of official information should be reduced to the minimum compatible with the security of the state.

The role of the federal government would be restricted to coordination, long-range planning, research and external relations. Certain ministries (Environment, Energy, Education) would either cease to exist or be recast in a coordinating role. The House of Commons would be commensurately reduced – to half its present size.

The risk of course is that the central ministers either become impotent referees in an anarchic inter-provincial game, or that, by dividing and ruling, they win back even more central authority. The answer to this lies in creating a mediating structure of inter-provincial bodies (organised under the umbrella of the Federal Council but probably each based in a provincial seat of government) to promote policy coordination in energy, transport and so on – functions in which the 'communications revolution', through video-links and computerised data, can reduce costs and increase efficiency.

Thoughts on the Constitution

There is no hope of introducing federalism without a written constitution and, to interpret it, a Supreme Court. The left has always regarded both with hostility,

seeing them as a conservative check on the power of a socialist government. But can 'parliamentary sovereignty' be a radical force when the executive has taken over so much of parliament's authority? At present, it seems a licence to the government, the bureaucracy and their corporate allies to do as they please – a greater threat to the left than to the right. Various 'rights' that seemed to be safely embedded in our political conventions have simply disappeared: the security of the household from arbitrary police action, the right to employment, the right to adequate education, or the right of local communities to determine their expenditure programmes. The 'sovereign parliament' two hundred years ago gave little aid to those workers whose welfare was overturned by industrialisation; an equally determined group of economic zealots is behaving similarly today. The implications of joining the EEC have shown the limitations of sovereignty, while Labour's ill-conceived experimentation with referenda has opened the door to the sort of 'plebiscitary democracy' beloved of right-wing regimes.

The Social Democrats appear to believe that we can have devolution, stopping short of federalism, but their 'checks' – conventions plus a regional second chamber – still leave enormous latent power with the centre, and of course with a judicial establishment which has long since incurred the hostility of the left. Faced, for example, with a Scottish government which wished to levy taxes on oil, a determined central government could retaliate by imposing financial sanctions, which it would be beyond the power of the Second Chamber to reject, and could follow this up with a threat to dismantle devolution and have that decision endorsed by a referendum. Nothing in the career of the present government suggests that it would feel this sort of action beyond it. A written constitution plus a charter of rights does, therefore seem more of a radical than a

conservative measure, a means of preventing extreme action by provinces (restoring the death penalty, for instance), and of guaranteeing basic social entitlements. The Federal Council would, moreover, be more imaginative in its nominations to the Supreme Court, and would probably feel that academic constitutional lawyers and political scientists are more acceptable members than the present judicial establishment.

Debatable Lands

Relationships get more complicated, and the attraction of the status quo seemingly increases, when we probe the economic infrastructure. But in three crucial areas – finance, economics and local government – drastic reform can yield gains to a socialism which is under mounting threat from conventional political institutions.

Finance The financial changes required for effective decentralisation run into another swamp of administrative inertia – the persistent failure to evolve any alternative to our taxation and rating systems. Imposing new taxation of the existing pattern creates horrific complexity or (in the case of block grants) actually strengthens the positions of the bureaucrats. The best solution seems to be to have a formula by which a Federal Finance Council (nominated by the Federal Council) divides the yields of various taxes between central, provincial and local government. In West Germany, for example, Bund and Lander each receive 42.5 per cent of West German income tax, the remaining 15 per cent going to local government, while 70 per cent of the taxation on business profits (or sometimes, payroll or capital taxes) goes to local government.

The Financial Council would also

operate a compensating fund, as a means of direct transfers between high and low-income provinces. Besides this, the provinces would also have the power to raise taxation on, for instance, motor vehicles, pets, gambling and drink.

The Bank of England would be restructured as a central bank with a supervisory board composed of representatives of publicly-owned provincial banks, and an executive head appointed by the federal finance minister. This structure would greatly increase public control over the financial system, with the provincial banks taking over many of the functions of the 'high street' banks. The recent Royal Bank of Scotland case showed that, despite the general unpopularity of bank nationalisation, many Scots were prepared to sanction public ownership as an alternative to southern takeover; a line of strategy which Labour ought to encourage.

Economic planning Decentralisation clashes with the left's traditional ideal of the central integration of economic and industrial planning – an ideal which, of course, has never in practice been realised. Provincial economics ministries and executives on the lines of the Scottish or Welsh Development Agencies can probably integrate better with a more pragmatic type of corporate planning by state and private industry. Such institutions can:

* *Marry* infrastructural provision to industrial development by coordinating the programmes of local government, education, nationalised industries, etc. As federal government agents, they would also supervise national and international labour and environmental legislation.

* *Research* and present industrial development and export options. This implies a sophisticated provincial operat-

ing reforming economic and social initiatives, and assembling behind them a wide range of public support.

Neither is this a pamphlet about Britain's economic future, but decentralisation posits an economic order different from the one we have been evolving towards – and a shift from international financial services to the supply of equipment and techniques which aid world development. This is not the place to dogmatise about what we should produce: the ability of provincial agencies to set resources against needs will, in time, produce its own pattern. But certain options are obvious – equipment developed around our natural resources and our social services, areas of social technology such as public transport or water supply in which the use of new technology is qualified by experience and experimentation.

Such options recognise that although the world's basic technology – up to and including the microprocessor – has been

preempted by the international industrial order, its adaptation and constructive application are quite different matters. New technology has already put conventional business structures into question, and enhanced the competitiveness of small and flexible units. Decentralisation thus doesn't imply a retreat from reality, but a British economy which in world terms will be more competitive and more useful.

But will it bring more prosperity than metropolis? Frankly, this is doubtful. The wealthy pay better, and if we want to be a nation of well-tipped waiters, then we should continue to serve – and arm – them. The Argentinians have, as I write, just signed the cheques for two warships which, a couple of months ago, could have been . . . We are back to morality and the 'good society', and the value we are prepared to put on that. 'If you will tell me what you ultimately intend Bradford to be, perhaps I can tell you what Bradford can ultimately produce.' We still have Ruskin to answer.

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