# The UK state after COVID-19: Britain needs a system of government which is holistic, anticipatory, and intelligent

*While Cummings's vision for reforming government looks even more questionable in the light of the pandemic, it is not sufficient simply to attack ideas of reform, writes* ***Patrick Diamond****. He explains what system of government Britain needs in order to be better able to solve problems in the future.*

Although Dominic Cummings remains the Prime Minister's Chief Political Adviser, the UK Government's perceived mishandling of the COVID-19 pandemic means the vision of a reformed British state he championed now appears threatened. Certainly, Cummings's quest to reinvent UK governance attracted considerable attention in the pre-pandemic era. In the aftermath of Brexit, there was a growing belief within the governing class that Britain had to be remade as a high-tech 'Singapore on Thames': a deregulated, globalised competition state liberated from the shackles of Europe. The UK state machine, it was said, was slow-moving and cumbersome, afflicted by chronic 'bureaucratic cancer'. Many civil servants cared little about delivering reforms, while politicians proved to be weak Ministers with little experience of running complex organisations. Mr Johnson's Strategy Chief wanted 'wild card' advisers in Downing Street, data scientists, engineers and physicists who epitomised the spirit of 'techno-optimism'. The permanent civil service, Cummings declared was, 'one for the history books'. The centre of government ought to be run in a hyper-active style akin to a Silicon Valley start-up where, 'only the paranoid survive'.

In fact, many of those who previously served in government expressed sympathy with the critique of the British civil service and the Whitehall tradition. It is striking that Geoff Mulgan, Tony Blair's former Director of Strategy, believed Cummings was essentially right to be concerned with how government operated, and that it was necessary to bring new people, energy and ideas into the UK executive. On the basis of his experience, Mulgan agreed that the number of Ministers in Whitehall ought to be cut drastically, while civil service roles should be reconfigured to focus on practical implementation rather than giving abstract policy advice. Yet what emerged from Cummings are ideas for reforming government that now look more questionable in the light of the pandemic, and the strains it has imposed on society, the economy, and state.

The first issue is that while attacking Whitehall mandarins often wins favour among editorial leader-writers, it is focusing on the wrong problem. The dysfunctionality of the British system of government is at least as much concerned with politics as the condition of the permanent bureaucracy. The political incentives in the UK system serve to reinforce chronic short-termism, not least in ensuring that policy change is almost always aligned with the electoral cycle. Ministers who fall out of favour with Number Ten can be briefed against and then sacked, which militates against any serious effort at risk-taking and innovation. Downing Street is obsessed with the presentation of policy. As a consequence, government at the centre is too often afflicted with the culture of blame avoidance and excessive political partisanship.

The second major problem is the lack of serious thinking about how to improve the delivery of public policy. For all the commitment to transformational change in British government, there is a recurrent belief that a small group of clever advisers at the centre can manage the machinery of state and drive through policy reforms. This mind-set has been exposed repeatedly as naïve and counter-productive. The problem is epitomised by the continuing reliance on targets to improve public services. There is too little appreciation of the distortive effects of targets at the centre, as captured in Goodhart's law: 'When a measure becomes a target, it ceases to be a good measure'. Targets encourage public service professionals to 'game' performance, distorting activity to meet the prescribed target; targets then lead Ministers to lose focus on what actually matters, as seems to have occurred in the management of the care home sector during the pandemic. Observing the government recently has at times been akin to watching a slow-motion train-crash, where Ministers desperately pull levers but discover that in fact, they are barely connected to anything.

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The underlying intellectual problem is that the current Administration is still wedded to the public choice doctrines of New Public Management (NPM) which emphasise not only competition and contestability in public services, but the essential idea that public servants are motivated by self-interest rather than altruism – and must be subject to a regime of performance management, inspection and scrutiny. Moreover, these professionals have to be told not only which targets to meet, but *how* to go about meeting them through detailed prescription of professional practice. NPM has long resembled a curious hybrid of planning and markets. On the one hand, Dominic Cummings rails against, 'the hubristic belief that politician-bureaucrats are able to outperform markets as information processors'. On the other hand, government at the centre wants to prescribe how public services should deliver, using the allocation of resources as the lever to control performance. The long-term consequence is organisational confusion and fragmentation. NPM exacerbates the disconnection between government policy-makers at the centre, and 'street-level' bureaucrats responsible for delivering change in public services on the ground.

It is apparent that a decade of austerity has hollowed-out the civil service. The numbers of civil servants employed in central government departments and agencies fell from 470,000 in 2010 to 380,000 by 2019. The core of policymakers in Whitehall who advise Ministers now comprise fewer than 20,000 civil servants. It is a mistake to equate numbers with effectiveness. Yet there is strong evidence that Whitehall is now seriously depleted, shorn of the capacities and human capital required to effectively develop policy. Moreover, the erosion of government capabilities makes it even harder to tackle 'wicked problems' from acquisitive crime to long-term unemployment. The failure to tackle urgent challenges erodes democratic legitimacy. Whitehall is losing the ability to procure goods and services effectively, to instigate collaboration between the public and private sectors, and to incentivise research and innovation. The point is underlined by the growing dependence of UK governments on management consultancies not only to strengthen delivery and implementation, but to provide ministerial policy and strategy advice. The failure to tackle urgent challenges erodes democratic legitimacy.

It is illusory to believe that all of these problems would be solved if Britain returned to the 'golden era' of the post-war consensus, where Whitehall operated in a culture in which, 'civil servants advise and Ministers decide'. Nor is it sufficient simply to attack the ideas of incumbent reformers such as Cummings. In the current climate, Britain needs a system of government which is better able to solve problems – which is holistic, anticipatory, and intelligent, rooted in the commitment to systematic learning. In this regard, it is important to be realistic about the nature of government in modern societies. Governing is clearly not like running a large corporation. Managing complex societies is a political activity that involves making choices, while wrestling with apparently intractable dilemmas. Politicians cannot afford to take risks that imperil their long-term electoral performance, nor can they simply ignore the mandate secured at the ballot box. Politicians are not technocrats. They have to display the qualities of what Max Weber termed 'charisma', using passion and persuasion to win over the public at large. Yet if crises provide windows of opportunity for systemic reform, it would be a mistake to waste the current moment to overhaul the UK's governance machinery.

**Holistic governance**

Historically, the structure of British government has been notoriously fragmented and disparate. The Haldane report published in the aftermath of the First World War recommended the creation of government departments organised around basic functional demarcations. In the intervening decades, however, it became clear that functional governance creates 'silos' in which problems fall between the cracks, and no department or agency has responsibility for tackling societal problems. There is a co-ordination deficit where no single Minister or department is in charge. These governance weaknesses have been acknowledged and debated for decades in Britain, but appear ever more acute today in the light of COVID-19.

The problems of fragmentation have been exacerbated by the use of outsourcing to operate contact-tracing call centres through private sector providers, for example, which only intensifies the challenge of co-ordination and weak steering. Instead, government needs to be 'holistic', joining-up departments, agencies and tiers of government across the public policy landscape, focused on solving problems rather than narrow administrative functions. The Blair governments grappled with these issues after the 1997 election, as Perri 6 noted in his ground-breaking work for *Demos*, but they fell short by dismissing necessarily radical changes as a distraction from the core business of governing. The entire system of Whitehall departments needs to be refocused to concentrate with renewed vigour on long-standing economic and social problems, many of which have been exacerbated by the current crisis.

**Anticipatory governance**

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Government in Britain also remains notoriously short-termist. Departments still concentrate on providing services that are overwhelmingly 'curative', focused on intervening after the event. Where governance ought to be preventative, identifying and tackling problems before they become more acute, the horizon in which government and public services think appears to have narrowed even further. The situation is exemplified by the arbitrary 100,000 target for COVID-19 testing which the Department of Health was forced to announce in April as a result of the chronic shortage of testing capacity in the UK.

Government at all levels needs to deepen its capacity for 'upstream' thinking. Clearly a much greater focus on managing risk is essential in the aftermath of COVID-19. Every department and agency should be required to allocate a proportion of its annual budget to activities that focus explicitly on prevention. The importance of preventative roles in public services needs to be strengthened by addressing the existing structure of pay, rewards and status. For example, public health professionals ought to be accorded much greater prominence and influence within the health and social care system. Another area in which momentum appears to have been lost in recent years is strengthening early intervention through the design of public services, particularly focusing resources on programmes targeted at children and young people, alongside older individuals at risk of developing chronic conditions.

**Intelligent governance**

As well as being holistic and anticipatory, British government has to develop its capability to think and act intelligently. British exceptionalism, the belief that the UK has little to learn from other countries across the world in managing risks including global pandemics, has proved to be extremely damaging. Whitehall has to rebuild its capacity for effective policy learning, particularly in understanding what lessons can be drawn from policy initiatives and programmes tried and tested in other countries. The literature on 'collective intelligence' demonstrates the importance of groups collaborating and acting collectively across borders to advance knowledge and understanding of policy problems. That also includes building greater capacity for policy experimentation, testing policy ideas using an identified sample before launching policies at scale using techniques such as Randomised Control Trials and quasi-experimental designs.

At the same time, there appears to be less focus on UK engagement in global co-operation on public policies. Yet intelligent governance requires effective use of networks of expertise, both domestically and internationally. Essential too are mechanisms for citizens to engage with experts and decision-makers, using deliberative forums to wrestle with and solve long-term challenges from the financing of social care to dealing with climate change – creating new models of deliberative policy-making. In Britain, local government is currently leading the way in advancing deliberative governance.

**Reforming institutions**

The former US Secretary of State, Henry Kissinger, has argued that the pandemic exposes the limitations of existing institutions in western countries, both public and private. The system of government that emerges from the current crisis is almost certain to look very different to the market state that dominated politics for the last forty years in the West. Certainly, past world wars led to the radical reshaping of Whitehall and British governance. More outsiders or 'irregulars' were brought in. Domestic policy was overseen by a single Minister at the centre focused on departmental co-ordination. The state that emerges from the current 'perfect storm' will not be a reversion to the social democratic governments of the post-war era. The continuing reform and strengthening of institutions will be vital to ensure we are better prepared to face the next crisis – in whatever form it takes.

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**About the Author**

**Patrick Diamond** is Associate Professor of Public Policy at Queen Mary, University of London, and a former special adviser in 10 Downing Street. He is the author of *The End of Whitehall?* published by Palgrave MacMillan.

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