
Clinton Presidential Records Digital Records Marker

This is not a presidential record. This is used as an administrative marker by the William J. Clinton Presidential Library Staff.

This marker identifies the place of a publication.

Publications have not been scanned in their entirety for the purpose of digitization. To see the full publication please search online or visit the Clinton Presidential Library's Research Room.

the british spring

a manifesto for
the election after next

Demos

geoff mulgan, perri 6 and others

DEMOS

Press release embargoed until 00:01 hours, Tuesday 21 September
New report outlines ways to make government work more effectively

The Labour government has pledged itself to tackling the most critical and complex social problems: educational failure, long-term unemployment, crime and ill health. But a new report by the independent think-tank Demos argues that, without radical reform, the structures that the new government has inherited will make it difficult for it to succeed.

The problem

The key problem – one that was not addressed by Conservative reforms – is that government is still organised around a 19th century model of separate departments spending their own budgets. The report argues that recent reforms make government even less able to tackle fundamental problems that cut across departmental boundaries. Far too many agencies dump problems on to others. Schools exclude difficult pupils who go on to commit crimes. Mentally ill people are regularly ‘dumped’ into the community.

Britain was the pioneer of ‘reinventing government’ reforms. Privatisation, contracting out and so on have been copied around the world. But their potential is now exhausted. To achieve real gains in government effectiveness, a new approach is needed.

Holistic government

In *Holistic government*, Perri 6, Director of Policy and Research at Demos, lays out a new agenda for government. He shows how government and citizens alike would benefit if government became:

- *holistic* - dealing with issues in the round rather than through dozens of separate agencies;
- *preventive* - geared to solving problems before they become acute;
- *outcome oriented* - focusing on improving people’s lives rather than measuring activity;
- *culture changing* - changing public behaviour through information and persuasion not coercion and control.

Through integration and a greater emphasis on prevention, government can achieve more and cost less.

Recommendations

Holistic government draws on evidence from around the world to provide a detailed analysis of why and where government has gone wrong. It rejects the fatalism of pundits, professionals and academics who think everything has been tried and sets out detailed recommendations for making government more effective and more coherent.

- *Holistic budgeting*: to make services more effective and targeted on key groups, budgets should be organised by outcome and geographical area rather than by function.
- *Integrated information systems*: as in Australia, electronic common interfaces, ‘one-stop shops’, should be set up to simplify how the public deals with government.
- *Case workers*: case workers should be allowed to purchase services across departments and to customise solutions to meet individual needs.
- *Preventive audits*: every department, agency and tier of government should be audited to identify how much effort it puts into prevention.

DEMOS

- *Early warning systems*: public agencies should follow the example of big business and use analysis of the future to anticipate problems, not react to them.
- *Culture changing*: government should run more information and persuasion initiatives, such as the 1980s drink driving campaign, to influence and mould public behaviour.

Tomorrow's government

Holistic government is not an impractical vision. Health Action Zones, Single Regeneration Budgets and the like are all paving the way to more integrated government. Over the next two years, Demos will be carrying out a project funded by the Esmée Fairbairn Charitable Trust to test the practicality of holistic government in a number of fields. Entitled *Tomorrow's Government*, the programme explores systems of contracting and franchising, governing major cities and using communications technologies to provide better public services.

Related publications

- In *Holding back the years*, Diana Leat and Perri 6 argue that elderly people are caught in a 'perverse turf war' between health and social services. The authors propose a new system of holistic budgeting, DevoteCare, which can break down 'departmental cages' and help to provide services based around the needs and wants of elderly people themselves.
- Demos will shortly be publishing a pamphlet by the new Conservative peer Lord Freeman, formerly Chancellor of the Duchy of Lancaster in John Major's government. In *Democracy in the digital age*, Roger Freeman sets out a blueprint for the integrated application of information technology in Westminster and Whitehall to improve public services and communications between citizens and Government.
- Perri 6 is writing a report with Professor Gerry Stoker of Strathclyde University suggesting ways in which the proposed London government could be run. The pamphlet will be published by the Association of London Governments.

Note to editors

To avoid confusion about his new role as part-time Adviser to the Prime Minister's Policy Unit, Geoff Mulgan is taking leave from the post of Director of Demos. When his period at Downing Street comes to an end he will be returning as full-time director. In the meantime, he is no longer taking executive responsibility for Demos publications and public statements. While Geoff remains actively involved in Demos' work, executive responsibilities are now covered by Ian Christie, Deputy Director, along with Perri 6, Policy and Research Director and Richard Warner, General Manager.

Demos has no formal link with Government and remains wholly independent. It will continue to develop its work as a radical cross-party think-tank committed to long-term thinking and to publishing ideas from across the political spectrum.

**Holistic government is available from Demos for £9.95 plus 60 pence p & p
For information, interviews or briefings about *Holistic government* and
other Demos projects please contact George Lawson on 0171-353 4479**

9 Bridewell Place, London EC4V 6AP
tel 0171 353 4479 fax 0171 353 4481
e-mail: mail@demos.co.uk
Registered Charity no. 1042046

DEMOS

Press release embargoed until 00:01 hours Monday 22 September **Demos report outlines the next big idea for a new political era**

What will Frank Field, David Willetts and Shirley Williams all be discussing this autumn? The answer is a new report, *Civic spirit: the big idea for a new political era* by Charles Leadbeater, subject of Demos fringe events at each of the party conferences. (Details below)

Mutuality in principle

We urgently need a new idea which can provide social cohesion in an increasingly individualistic, diverse and fragmented society. Both left and right have failed to provide such an idea, putting their faith in the state and the private sector respectively. Leadbeater argues that the principle which can balance individualism with civic purpose is 'mutuality'.

Mutuality means linking rights to obligations. It provides a balance between individual autonomy and the sense of membership a strong civil society needs. Using the principles of justice, decency, community and choice, Charles Leadbeater outlines a vision for rethinking our political agenda and creating truly collective organisations.

Club culture

The 'mutual society' should be organised through 'clubs' linked by 'networks' and 'teams' to their 'members'. Clubs are adaptable: 'clubbing' is the most popular past-time for young people; the Internet is populated by virtual clubs; sports clubs inspire great loyalty and belonging. Clubs should be outward looking, open, democratic and purposeful. The best are hybrids, fusing ownership, consumption and production.

Mutuality in practice

Mutuality can inform the way we think about crime and punishment, health and education, unemployment and poverty. *Civic spirit* offers a fresh perspective on a number of policy areas.

- *Mutual institutions*: Mutual clubs rely on self-regulation to reconcile differences. They are locally governed and accountable to their members. The best clubs do not just service their members; they learn from them as well.
- *Mutual health services*: Local, collective, self-help projects like the community owned Bromley-by-Bow centre in the East End of London offer the best opportunity for mutual health services.
- *Mutual security*: Neighbourhood watch schemes could be turned into community self-policing schemes, like those operating in Balsall Heath, Birmingham. Street stewards and community constables, already used successfully in Bradford, could be employed. A national mentoring and guardian scheme should be established.
- *The mutual company*: Employee share ownership could be used to reconcile the interests of shareholders, employees and employers. The Post Office and the water companies could be turned into mutual companies, owned by their customers.

For more information, interviews and briefings, please contact:
George Lawson on 0171 353 4479 or 0956 165952

9 Bridewell Place, London EC4V 6AP
tel 0171 353 4479 fax 0171 353 4481
e-mail: mail@demos.co.uk
Registered Charity no. 1042046

DEMOS

Demos fringe events

Civic spirit: the big idea for a new political era by Charles Leadbeater

Liberal Democrats

What should community mean for the liberal democrats?

- *Chair:* Geoff Mulgan
- *Speakers:* Baroness Williams, Vincent Cable and Charles Leadbeater
- *At:* Sovereign Suite, Chatsworth Hotel, Eastbourne, Tuesday 23 September, 12.45-2pm

Labour

Public service, community and the future of the centre-left

- *Chair:* Ian Hargreaves
- *Speakers:* Frank Field, Will Hutton and Charles Leadbeater
- *At:* Sussex Arts Club, 7 Ship Street, Brighton, Wednesday 1 October, 12.45-2pm

Conservative

Community and the future of conservatism

- *Chair:* Roger Freeman
- *Speakers:* David Willetts, Sheila Lawlor and Charles Leadbeater
- *At:* The Rosecrea Hotel, 240 North Promenade, Blackpool, 12.45-2pm

Britain™: renewing our identity by Mark Leonard

Labour

Does Britain need a new identity?

- *Chair:* Andrew Marr
- *Speakers:* Chris Smith, John Sorrell, Will Whitehorn, Jennifer Page, Mark Leonard
- *At:* William IV Room, The Royal Pavilion, Brighton, Tuesday 30 September, 6.30pm

Conservative

Does Britain need a new identity?

- *Chair:* Andrew Marr
- *Speakers:* Damian Green, John Sorrell, Will Whitehorn, Jennifer Page, Mark Leonard
- *At:* The Beaufort Room, The Stakis Hotel, Blackpool, Wednesday 8 October, 6.45pm

**For more information, interviews and briefings please contact:
George Lawson on 0171 353 4479 or 0956 165952**

9 Bridewell Place, London EC4V 6AP
tel 0171 353 4479 fax 0171 353 4481
e-mail: mail@demos.co.uk
Registered Charity no. 1042046

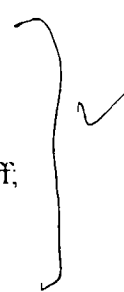
DEMOS

Press release: embargoed until 00:01 hours, Thursday 24 July 1997
Holding back the years: how Britain can grow old better in the twenty first century by Diana Leat and Perri 6

Last month, Health Secretary Frank Dobson emphasised the government's commitment to transforming care for the elderly. But such a commitment is not enough if it fails to recognise the key problem - that elderly people are caught up in a chaotic and damaging game of 'pass the parcel' between the NHS and Social Services. In this new Demos report, Diana Leat and Perri 6 set out in detail a new formula for how the government could introduce and fund seamless care for the elderly. They call for a system based around the needs, wants and preferences of elderly people rather than the narrow interests of providers and professionals.

The problems

Britain's services for the elderly are a shambles. The system is:

- **perverse** - it puts all its effort into care and hardly any effort into preventing frailty;
 - **fragmented** - elderly people are caught in a game of 'pass the parcel' between the NHS and social services;
 - **inefficient** - the financing system makes poor use of the available supply of paid care staff;
 - **unresponsive** - services are designed for the convenience of providers and professionals;
 - **burdensome** - the system only works because families make huge contributions.
- 

The solutions

We need less care in the community and more activity in the community. This requires:

- auditing all policies, from transport to planning, to ensure that they promote independence for elderly people;
- more incentives for people to work later in their lives, for example in voluntary work;
- targeted accredited learning programmes to help keep older people's minds active;
- integrating chiropody, physiotherapy and occupational therapy;
- home energy conservation programmes to keep people's homes warm and in good repair;
- helping to build robust social networks for elderly people. The generation now growing old may prefer video-on-wheels to meals-on-wheels. In the future, electronic communication, for example the Internet, could be used to develop and maintain social networks.

Britain needs an integrated system of purchasing and delivering care. *Holding back the years* proposes creating a single purchasing system for the whole range of services for elderly people. Called **DevoteCare** - short for the Devolved Total Care Model - it provides the financial discipline to ensure integrated, inter-disciplinary services.

Holding back the years is essential reading for health and social care managers, policy makers and purchasers, social workers and geriatricians. Copies of the report are available for £7.95.

For more details please contact George Lawson at Demos on 0171-353 4479

9 Bridewell Place, London EC4V 6AP
tel 0171 353 4479 fax 0171 353 4481
e-mail: mail@demos.co.uk
Registered Charity no. 1042046

DEMOS

Press release embargoed until 00:01 hours Tuesday 9 September
A new brand for Britain

This is a testing time for Britain. The death of Princess Diana, the devolution debates and general uncertainty about the Millennium have all focused attention on British identity. A new report by Demos, funded by the Design Council, argues that the time is ripe for renewing and revitalising our image – both at home and abroad. To thrive in the next century, Britain must look forwards not backwards. We must be one of the world's pioneers rather than one of its museums.

The current image

New data in the report shows that people are no longer proud to be British:

- Only 50% regard Britishness as an important part of their identity.
- Faith in institutions has plummeted. Barely 30% think Britain will have a monarchy in 50 years time. Only 10% have confidence in Parliament and 25% in the Church.
- Only one in twenty are proud of our economic achievements. Just 27% of British consumers see British products as excellent or good. Even the Japanese (32%) have a higher regard for British products.
- British Telecom and British Gas have dropped British from their names. Dixons' own brand MATSUI is meant to sound Japanese.

Around the world Britain's image remains stuck in the past:

- Britain is seen as a backward looking country with bad weather, poor food and arrogant, unfriendly people.
- British products are seen as low tech and bad value. Fewer than half of Fortune 500 companies associate a 'Made in UK' stamp with good value for money.
- 45% of the world's top companies see Britain as strike ridden. Less than 40% of Japanese companies believe that Britain encourages free enterprise.

Renewing our identity

Britain's poor brand image damages business. 72% of the world's largest companies see national identity as crucial to buying products. Other countries like Ireland and Spain have successfully renewed their identity, not through new flags and anthems but through stories which match a changed reality. *Britain™* highlights six such stories – trademarks for a new British identity as a creative hub in an interconnected world:

- Britain as a Global Hub, Hybrid Britain, The Creative Island, The Nation of Buccaneering Entrepreneurs, Britain the Silent Revolutionary, and The Nation of Fair Play.

To project a new identity and promote a coherent strategy, today's report recommends:

- Setting up a special 'Vision Group' chaired by the Prime Minister and a 'Promoting Britain Unit' in the Cabinet Office to manage the 'British Brand'; using the Millennium Dome as a showcase for British excellence in health, learning and retailing; making entry points into Britain – both physical and digital – stunning introductions to British art and design.

***Britain TM: Renewing our identity* by Mark Leonard is available from Demos for £5.95**

For interviews and briefings please contact:

George Lawson at Demos on 0171-353 4479

Luke Blair at the Design Council on 0171-208 2128

DEMOS

Findings

The stories developed in the 19th century defining Britain as an island race and taking pride in our institutions and industrial power are now out of date. They appeal, if at all, only to an ageing minority. They smack of imperialism to many countries abroad.

Shaping our identity

Britain needs a new narrative to better link the past, present and future. Our research found six such stories – trademarks for a new identity:

Hub UK: Britain is more connected to the world than any land-bound nation. Heathrow is the world's busiest international airport and London is the world's most visited city. The turnover of the London currency markets is greater than that of New York and Tokyo combined. Over 1.4 billion people live in countries where English has official status. Britain is second only to the US as a source and destination of Foreign Direct Investment (FDI).

Creative island: Britain has a history of eccentricity and an ethos which values individuality and non-conformity. According to the Japanese government, 70% of significant inventions and one-fifth of all post-war inventions were made in Britain. 70% of the world's computer games are made within thirty miles of Liverpool. Britain is a small island with big ideas.

United colours of Britain: Britain is a hybrid nation, a country which thrives on diversity. Our ancestry embraces Normans and Vikings, Huguenots and Jews. Over 3 million Britons describe themselves as non-white. Indian restaurants have a higher turnover than the coal, steel and shipbuilding industries combined.

Open for business: Britain has always been 'a nation of shopkeepers' and this is the case today more than ever. Britain has more shop workers than either France or Germany. Eight out of the ten most profitable European retailers are British. Companies like The Body Shop lead the world in ethical investment.

Silent revolutionary: Britain has an image of unchanging tradition. But in fact, Britain is a prolific inventor of new forms of organisation. Britain was first in and first out of the Industrial Revolution. British models of parliamentary democracy, civil service, army, welfare state, privatisation and sport have been copied throughout the world.

The nation of fair play: Britain has prided itself on being a nation of fair play. Up to half of all adults undertake some form of voluntary activity in a year. Twice as many Britons belong to an environmental organisation or charity as to a political party.

Toolkit

Together, these six stories provide a toolkit for starting the widest possible debate about 'Britishness'. *They form a new story of Britain as a creative hub in an interconnected world founded on principles of tolerance and fair play.*

For interviews and briefings contact:

George Lawson on 0171-353 4479 or Luke Blair on 0171-208 2128

DEMOS

Recommendations

Britain's identity needs to be managed professionally. Without structures to define, refine and project what Britain stands for our efforts will be at best fragmented and at worst contradictory. We need mechanisms to ensure a coherent strategy and the projection of a single message.

Mechanisms

- **Co-ordination:** The Prime Minister should chair a 'Vision Group' to agree and oversee the 'British Brand'. A working party should be set up with representatives from government and business to ensure that consistent messages are sent.
- **Professionalisation:** Set up a 'Promoting Britain Unit' in the Cabinet Office to track the performance of the 'British Brand'. It should disseminate best practice, commission activities, encourage partnerships and provide support for cities and regions.
- **Cultural shift:** Agencies projecting Britain to the world should adopt new approaches to recruitment and organisation to become more entrepreneurial, more creative, more representative of Britain's cultural diversity and more able to think in the long-term.

Millennium

The millennium provides an ideal opportunity to project a new identity to the world. It offers the chance to reaffirm Britain as a global, open, tolerant island.

- Make the points of entry and exit into Britain express our renewed identity. House art exhibitions, museums and libraries in airports and stations to provide visitors with a stunning welcome to the country.
- In the future many ports of entry will be electronic. We should create a digital Britain site which includes web art and discussion groups alongside detailed listings and tourist information.
- Redesign key government buildings around the world to act as a showcase for Britain as a creative island, reflecting the best of British design and architecture. Review stamps, letterheads and official documents to achieve a better mix between old and new.
- Issue a challenge to highlight the best educational practices, most innovative social entrepreneurs and best city improvements using the Design Council's 'Millennium Products', launched by the Prime Minister this month, as a model.
- Use the Millennium Dome as a showcase for the future of health, learning and retailing. Set up a 'fairplay' web site in the Dome, and in all places associated with the Millennium, to give people immediate opportunities to volunteer and mentor both at home and abroad.

Renewing our identity

Updating Britain's identity does not mean idly casting off the past. The process will be a slow burn not a quick fix. The challenge is to find a better fit between what we were, what we are and what we are becoming. Two hundred years ago, our ancestors constructed an identity which proved enormously powerful. Today we need to do the same again.

For interviews and briefings contact:
George Lawson at Demos on 0171-353 4479
Luke Blair at the Design Council on 0171-208 2128

001 819 997

27022336

2553

2678700

DEMOS

Press release embargoed until 00:01 hours Tuesday 9 September
A new brand for Britain

This is a testing time for Britain. The death of Princess Diana, the devolution debates and general uncertainty about the Millennium have all focused attention on British identity. A new report by Demos, funded by the Design Council, argues that the time is ripe for renewing and revitalising our image – both at home and abroad. To thrive in the next century, Britain must look forwards not backwards. We must be one of the world's pioneers rather than one of its museums.

The current image

New data in the report shows that people are no longer proud to be British:

- Only 50% regard Britishness as an important part of their identity.
- Faith in institutions has plummeted. Barely 30% think Britain will have a monarchy in 50 years time. Only 10% have confidence in Parliament and 25% in the Church.
- Only one in twenty are proud of our economic achievements. Just 27% of British consumers see British products as excellent or good. Even the Japanese (32%) have a higher regard for British products.
- British Telecom and British Gas have dropped British from their names. Dixons' own brand MATSUI is meant to sound Japanese.

Around the world Britain's image remains stuck in the past:

- Britain is seen as a backward looking country with bad weather, poor food and arrogant, unfriendly people.
- British products are seen as low tech and bad value. Fewer than half of Fortune 500 companies associate a 'Made in UK' stamp with good value for money.
- 45% of the world's top companies see Britain as strike ridden. Less than 40% of Japanese companies believe that Britain encourages free enterprise.

Renewing our identity

Britain's poor brand image damages business. 72% of the world's largest companies see national identity as crucial to buying products. Other countries like Ireland and Spain have successfully renewed their identity, not through new flags and anthems but through stories which match a changed reality. *Britain™* highlights six such stories – trademarks for a new British identity as a creative hub in an interconnected world:

- Britain as a Global Hub, Hybrid Britain, The Creative Island, The Nation of Buccaneering Entrepreneurs, Britain the Silent Revolutionary, and The Nation of Fair Play.

To project a new identity and promote a coherent strategy, today's report recommends:

- Setting up a special 'Vision Group' chaired by the Prime Minister and a 'Promoting Britain Unit' in the Cabinet Office to manage the 'British Brand'; using the Millennium Dome as a showcase for British excellence in health, learning and retailing; making entry points into Britain – both physical and digital – stunning introductions to British art and design.

Britain TM: Renewing our identity by Mark Leonard is available from Demos for £5.95

For interviews and briefings please contact:

George Lawson at Demos on 0171-353 4479

Luke Blair at the Design Council on 0171-208 2128

DEMOS

Findings

The stories developed in the 19th century defining Britain as an island race and taking pride in our institutions and industrial power are now out of date. They appeal, if at all, only to an ageing minority. They smack of imperialism to many countries abroad.

Shaping our identity

Britain needs a new narrative to better link the past, present and future. Our research found six such stories – trademarks for a new identity:

Hub UK: Britain is more connected to the world than any land-bound nation. Heathrow is the world's busiest international airport and London is the world's most visited city. The turnover of the London currency markets is greater than that of New York and Tokyo combined. Over 1.4 billion people live in countries where English has official status. Britain is second only to the US as a source and destination of Foreign Direct Investment (FDI).

Creative island: Britain has a history of eccentricity and an ethos which values individuality and non-conformity. According to the Japanese government, 70% of significant inventions and one-fifth of all post-war inventions were made in Britain. 70% of the world's computer games are made within thirty miles of Liverpool. Britain is a small island with big ideas.

United colours of Britain: Britain is a hybrid nation, a country which thrives on diversity. Our ancestry embraces Normans and Vikings, Huguenots and Jews. Over 3 million Britons describe themselves as non-white. Indian restaurants have a higher turnover than the coal, steel and shipbuilding industries combined.

Open for business: Britain has always been 'a nation of shopkeepers' and this is the case today more than ever. Britain has more shop workers than either France or Germany. Eight out of the ten most profitable European retailers are British. Companies like The Body Shop lead the world in ethical investment.

Silent revolutionary: Britain has an image of unchanging tradition. But in fact, Britain is a prolific inventor of new forms of organisation. Britain was first in and first out of the Industrial Revolution. British models of parliamentary democracy, civil service, army, welfare state, privatisation and sport have been copied throughout the world.

The nation of fair play: Britain has prided itself on being a nation of fair play. Up to half of all adults undertake some form of voluntary activity in a year. Twice as many Britons belong to an environmental organisation or charity as to a political party.

Toolkit

Together, these six stories provide a toolkit for starting the widest possible debate about 'Britishness'. *They form a new story of Britain as a creative hub in an interconnected world founded on principles of tolerance and fair play.*

For interviews and briefings contact:

George Lawson on 0171-353 4479 or Luke Blair on 0171-208 2128

DEMOS

Recommendations

Britain's identity needs to be managed professionally. Without structures to define, refine and project what Britain stands for our efforts will be at best fragmented and at worst contradictory. We need mechanisms to ensure a coherent strategy and the projection of a single message.

Mechanisms

- **Co-ordination:** The Prime Minister should chair a 'Vision Group' to agree and oversee the 'British Brand'. A working party should be set up with representatives from government and business to ensure that consistent messages are sent.
- **Professionalisation:** Set up a 'Promoting Britain Unit' in the Cabinet Office to track the performance of the 'British Brand'. It should disseminate best practice, commission activities, encourage partnerships and provide support for cities and regions.
- **Cultural shift:** Agencies projecting Britain to the world should adopt new approaches to recruitment and organisation to become more entrepreneurial, more creative, more representative of Britain's cultural diversity and more able to think in the long-term.

Millennium

The millennium provides an ideal opportunity to project a new identity to the world. It offers the chance to reaffirm Britain as a global, open, tolerant island.

- Make the points of entry and exit into Britain express our renewed identity. House art exhibitions, museums and libraries in airports and stations to provide visitors with a stunning welcome to the country.
- In the future many ports of entry will be electronic. We should create a digital Britain site which includes web art and discussion groups alongside detailed listings and tourist information.
- Redesign key government buildings around the world to act as a showcase for Britain as a creative island, reflecting the best of British design and architecture. Review stamps, letterheads and official documents to achieve a better mix between old and new.
- Issue a challenge to highlight the best educational practices, most innovative social entrepreneurs and best city improvements using the Design Council's 'Millennium Products', launched by the Prime Minister this month, as a model.
- Use the Millennium Dome as a showcase for the future of health, learning and retailing. Set up a 'fairplay' web site in the Dome, and in all places associated with the Millennium, to give people immediate opportunities to volunteer and mentor both at home and abroad.

Renewing our identity

Updating Britain's identity does not mean idly casting off the past. The process will be a slow burn not a quick fix. The challenge is to find a better fit between what we were, what we are and what we are becoming. Two hundred years ago, our ancestors constructed an identity which proved enormously powerful. Today we need to do the same again.

For interviews and briefings contact:

George Lawson at Demos on 0171-353 4479

Luke Blair at the Design Council on 0171-208 2128

A plan to abolish the underclass

Peter Mandelson was right to make ambitious claims for Labour's social exclusion unit. Its mission is grand, its methods unorthodox

JOHN LLOYD

The poor were with us this summer, through the intervention of Peter Mandelson, the Minister without Portfolio. His announcement, in a speech on 14 August under Fabian Society auspices, that a new unit on "social exclusion" would be set up forthwith, is potentially one of the most important initiatives Labour is likely to make, with vast consequences for the delivery of welfare and the shape of government. But the importance of the announcement was obscured by being made in August, by the controversy that surrounds the man who made it and by the personalities of those who did not make it.

Mandelson did pay tribute in the speech to the momentousness of the project: he said that its creation marked "the most important innovation in government we have made"; that new Labour had to succeed in tackling the plight of the excluded, if it were to deserve another term in office; and that the project to end exclusion "would harness the full power of government to take on the greatest social crisis of our times".

But the message of the speech was masked by two contexts into which it was fitted. First, it was delivered in the course of Mandelson's bid for election to Labour's National Executive Committee: his attachment to a cause popular with the party electorate would enhance his electability. Though Mandelson had cleared the announcement with Tony Blair before the latter left on holiday, his pre-empting of the issue infuriated those closest to it in the cabinet and Whitehall, and was regarded as a cynical manoeuvre from a politician who is fairly certain to play little part in the project itself.

However, it also fitted into another context dramatised by the media in August: a tussle between Mandelson and the Deputy Prime Minister, John Prescott (which the former has said is a figment of media imagination). Prescott was Acting Prime Minister in Blair's absence: he steered an erratic course in the post, making immigration policy in the course of a radio phone-in and christening a crab

"Peter", later compounding the jibe by hoping Mandelson would "claw his way" on to the NEC. His behaviour obscured the well-argued announcement he made on reducing car use. By the time he went on holiday last weekend he appeared wrong-footed and petty, an outcome that will have stoked his fires of resentment against Mandelson but which made Blair, then being feted on the Mediterranean, look more indispensable to good government than ever.

Mandelson made an announcement that might properly have been Prescott's, though in so doing, he gave it both a high status (by associating it with himself) and kept it out of the hands of the departmental ministers who might want to make it their own property.

The absorbing drama of characters who appear even more powerfully egocentric than most Conservative-era ministers obscured the import of what Mandelson was saying. He gave, in his habitually clear and elegant rhetoric, an exposition of a revolution: in the philosophy and practice of provision, in the conception of the welfare state, in the methods and ethos of addressing poverty, even in the structure of government itself. He unveiled what must be, if it lives up to the high billing he gave it, a recasting of social democratic values in practice.

The theoretical work behind all this has been done largely by Geoff Mulgan, a man of exceptional intellectual scope and daring. A one-time aide to Gordon Brown in opposition, Mulgan founded and still directs the Demos think-tank. Demos is a policy centre that has chosen to confront issues and problems of the day with analyses constructed in a promiscuous, jackdaw-like way from sources across the political spectrum. It cannot properly be called "left" or "right", and thus appeals to a government that aspires to the same ambiguity.

Mulgan has thought for large parts of the past two years about social exclusion and its related miseries. His analysis has led him to a number of conclusions, which are now being moved swiftly – to

use one of new Labour's favoured metaphors – on to the policy train.

First, he insists on the nomenclature of "social exclusion" as against "the poor" or even the newer "underclass". That is because, he says, poverty is only one attribute of those at the bottom of the heap: they are more properly defined as excluded because they live outside the worlds of work, of education, of sociability itself. Their contacts narrow to a point where they receive little or no information through the informal networks that assist most people into work: they are stranded in a kind of desert in which they are vulnerable to vultures that prey on them, or encourage them to prey on others, their isolation only periodically visited by welfare and enforcement agencies. These come in a variety of guises, all confusing or threatening.

Mulgan thinks the larger figures put on the size of this class are misleading, or at least useless as a guide to effective action. He dismisses the view – most powerfully proposed by Will Hutton in *The State We're In* – that sees society as composed of 30 per cent who are relatively wealthy, 40 per cent getting by and 30 per cent poor. Criteria of poverty such as the Council of Europe's "decency threshold", which classifies as poor all workers earning below two-thirds of the average wage and thus includes 48 per cent of the British workforce; or the definition used by the Low Pay Unit, which uses the standard of those living in families earning half the average wage or less, which brings in 17 per cent of the population.

Mulgan thinks that many of these move in and out of poverty, so are not a fit subject for government assistance. Instead he focuses on the 8 to 10 per cent who *stay* poor: who leave school with no qualifications after a school life of inattention, truancy and disruption; who live in the areas where nearly 50 per cent of all crimes are committed; who provide most of the single-parent families, the drug addicts – the chronic losers.

To address the millions in this category, Mulgan has elaborated a set of theses that

lie behind what must be done. At the core is the notion of the deal: that the state should so sophisticate its response that it can offer to each excluded individual a set of options to bring him or her out of dependence into independence.

In order to make this deal simple and deliverable, a welfare state that had been constructed as a centralised and standardised bureaucracy must be devolved down to local-authority areas, which are in turn given a large degree of latitude; the multiplicity of agencies must be brought together either by merger or by adopting a culture of close co-operation; and above all, the public-sector care ethic must be wrenched out of practices that remedy or catch in a safety net the victims and become systems that allow intervention at an early stage to *prevent* the fall into the net.

In a recent essay the sociologist Julian Le Grand – a high-profile public policy and health professor at the London School of Economics – used David Hume's famous observation that government must be constructed on the basis that all citizens are knaves, to illuminate the debate on the postwar welfare state. That state, Le Grand wrote, was constructed on the anti-Humeian assumption that those who administered the welfare state, and those who paid for it through their taxes, were not knaves but knights – altruistic rather than self-interested, anxious for the common good and diligent in its pursuit. Those who received this care were not knaves, either, but – to extend the chess analogy – pawns, who merely received.

Now, says Le Grand, the assumptions are changing. A range of public-policy philosophies and tools has been developing, largely on the right, which point to a fundamental change of belief – a change new Labour endorses. The idealism has been dropped and Hume re-established: government is for and by knaves once more.

"Policy makers," he writes, "[have] switched strategies: a switch... from policies designed to be financed and staffed by knights and used by pawns, to one financed, staffed and used by knaves."

There is much of this in Mulgan's analysis and policy proposals. In keeping with Demos practice, he has imported into his thinking some of the critique of welfarism made in the mid-eighties by Charles Murray, whose *Losing Ground*, published in 1984, launched an attack on the view of welfare provided by knights and



enjoyed by pawns – an attack whose reverberations are still being felt. Mulgan disapproves of the moral odium he thinks Murray's work put upon the underclass (as Murray would call it). But he does believe that Murray rightly recognised that US liberalism and continental social democracy both demanded too little of people because they did not believe people could respond.

Thus, like Murray, he treats people as "knaves": he believes they may become dependent on welfare as a means to an indolent, if materially poor, life. This indolent poverty must be broken by the construction of new incentives, which are backed by the threat of losing the funding for inactivity.

The new approach is to demand quite a lot of people. Take, for example, a teenage single mother in Liverpool. She has various benefits, and may have local-authority housing, but she has little or no training, and thus cannot get a job (which she anyway could not do because of the

demands of the child). She would be roused from her sloth and offered a deal, most likely composed of child care and training. She, in turn, could refuse the deal only on pain of losing at least part of her benefit.

Ora drug addict in his twenties might be offered rehabilitation, hostel accommodation and a job; he would turn that down, too, on pain of losing his state support (and perhaps, in his case, his liberty).

Drug-takers reforming themselves through the offer of activity? Some cynicism is called for, but there is testimony to set against it. The Fairbridge Agency, which works with inner-city young, did a series of interviews with their clients this year: in one, John Huxtable, a black teenager who was taking six injections of heroin a day and had been in prison 11 times since the age of 15, said that the offer by the agency of outdoor expeditions, coupled with training to organise hiking and other courses, had jerked him out of his drugged solipsism.

"Everyday you've got to push yourself to get out of bed, haven't you? Every day. But it's brilliant. It's exciting and it challenges people. I didn't think I had it in me to do it. Sian [a Fairbridge volunteer] kept encouraging me and encouraging me, and in the end I started thinking, 'Oh, maybe I can.'"

Dick Altham, Fairbridge's chairman, says that "the barriers to a fully inclusive society can be broken down, but only if we involve entire communities in the planning and implementation of the process."

This is what Mulgan is after: the bringing together of agencies – which he sees as tubes down which various kind of aid flows – to construct a single response to the excluded.

This is not new. As Le Grand notes and as Mulgan readily concedes, it runs with the grain of social policy thinking. The Tories did something along these lines with Single Regeneration Budgets, which offered financial incentives to local authorities to combine the various agencies operating in their areas into simpler, more cohesive institutions, and brought into partnership with the private sector. These were much criticised by Labour when invented. They are now not merely to be kept, but built on.

Further, five permanent secretaries from the main spending departments in Whitehall had been meeting throughout much of the lifetime of the Major government, as an *ad hoc* committee on social

exclusion. Their committee did little serious analysis of its own, but it did brainstorm and co-ordinate. Mulgan's proposals owe something to it.

As Mulgan laid out his vision for me in a rather neglected and untidy study in No 10, it was at times difficult to avoid a sensation of ideological vertigo. Here was a senior adviser to the government calmly admitting that Charles Murray – still a bugbear to American liberals (though more now for the racial implications of his interpretations of IQ tests in his book *The Bell Curve* than for his earlier findings on welfare) – had much that was useful in his work, and that the Conservatives had, when they lost office, been moving in the right direction. With that goes a strong sense of disapproval of the egalitarian critique now being advanced by Lord (Roy) Hattersley, who had been regarded until the early nineties as a right-winger, balancing the ticket as deputy to the left-wing Labour leader, Neil Kinnock.

Hattersley says of the new approach that social exclusion is “a weak concept which can be defined in any way which is convenient... Single parents, whose benefit supplement is to be abolished by the Labour government, will not feel more included in society at large when their purchasing power is dragged further below the national average.”

Mulgan says of Hattersley that his emphasis on financial redistribution is inappropriate for those who can work – though he concedes, as did Mandelson in his Fabian speech, that more should be found for those, such as the seriously disabled and elderly, who cannot work.

In a sense, the Hattersley/new Labour polemic is a false one. Hattersley says more is needed for those who cannot escape poverty; Labour agrees. How-

ever, new Labour narrows the definition of the poor to those who really cannot work; the others have been turned into pawns, or even knaves, by a system that enforces a supine response from them. They must therefore be stirred up.

Hattersley does not disagree in principle. His main point is that new Labour will not raise income tax to aid redistribution (new Labour sees this as soaking the

rich, and will indeed not do it). But it does not seem, from the polemical exchanges so far, that Hattersley, and other critics from the egalitarian side of the party such as Ken Livingstone, have grasped the scale of the Mulgan initiative – and the depth of his belief that a radical refashioning of the

welfare state can release very large sums now being paid to fund idleness, some of which could be used to help those poor who will never be able to work.

Mulgan's system will reach the working poor, probably through the local authorities. They will be given, he says, considerable latitude in deciding what to do and how to do it within strict financial guidelines, with the setting of a national floor of provision below which they cannot sink. They will also be encouraged to intervene early through preventive measures: remedy is seen as spending too much, too late. Most health-care spending, he says, goes on hospitals, with minor amounts spent on prevention of disease. Similarly only 1 per cent of the policing budget is directed to crime prevention.

Devolution of power to the localities would – if the logic of Mulgan's argument is proved in practice – lead to a more fundamental reshaping of Whitehall than any tried so far. The great spending departments still have a recognisably Beveridgean mould. But if and when barriers are broken down between their agents on the ground, their own separate fiefdoms will appear increasingly archaic. The Tories took Employment into Education. How long could Health, Social Security, Education & Employment and even Trade & Industry remain untouched, if their functions were as radically reshaped as the vision demands?

It becomes clearer, through Mulgan's exposition, how much work is seen as being at the centre of new Labour's plans for dealing with the poor. Work, training for work and education for work are regarded as unequivocal goods, because they are the surest way to end exclusion.

Le Grand says of this: “It does smack a little of the 19th-century concept of the idle and the able-bodied poor, of the dangerous classes who must be kept busy.”

Yet nothing else but work is seen to work. So much so that Mulgan insists on the retention of a flexible labour market with relatively low entry wages and a relative ease of company creation and of hire and fire.

Thus will the excluded be included: through work, intervention, deals and a little coercion. The unit that will oversee this revolution will be lean, perhaps 14 people, half of whom would be seconded from the civil service, half brought in from voluntary agencies. The unit will have to deal with contradictions in government policy, where, for example, an effort to address one evil causes another; such as where the exclusion of disruptive pupils quietens a class but causes an increase in the local crime rate.

The unit will work to and be chaired by the Prime Minister. This will make it, as now conceived, an animal strange to Whitehall, lacking any other ministerial voice, yet expected to knock departmental heads together and gain co-operation from traditionally feuding agencies.

Malcolm Wicks, now a Labour MP but a member of the Home Office's urban deprivation unit from 1974-77, wrote in last week's *NS*: “In those years I saw Labour policy unravelling at first hand, suffocated by a lack of political leadership, Treasury penny-pinching, departmental rivalry and the sheer difficulty of achieving a co-ordinated and comprehensive strategy across Whitehall.”

Mulgan says he has studied every example of previous failure to know where not to tread, and is suitably modest about success. But much is riding on this. As the Minister without Portfolio has said, it will define Labour's purpose. And as he did not say, it will guard new Labour's back from the disillusion of its supporters who are tax-and-spend socialists and look askance at the new bag of tricks and at the too-clever-by-half people in No 10 such as Geoff Mulgan.

A policy for the poor, or the underclass, or the excluded, has been a goal for ten years, since Margaret Thatcher turned her gaze to the inner cities as she won the 1987 general election. It was and remains a quest with one condition: it cannot be found through redistribution. This is the latest effort, and comes with the most impressive intellectual apparatus. To fail in this would be to fail badly. NS



Politico's
POLITICAL BOOKSTORE & COFFEE HOUSE

~ New, secondhand and antiquarian books ~
Political art, videos, CDs ~ Periodicals, think
tank reports ~ Political memorabilia ~ A range
of political gifts ~ Themed coffee house ~

Politico's, 8 Artillery Row, London SW1
Tel: 0171-828 0010 Fax: 0171-828 8111
Mondays ~ Fridays 8.30 am - 7pm; Saturdays
9.30am - 6pm; Sundays 11am - 5pm