TONY BLAIR'S SOCIAL LEGACY: TRANSFORMATIONAL LEADERSHIP

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As Tony Blair leaves office this month after a decade in Downing Street, he leaves a legacy of controversy in foreign policy, but equally leaves Britain a nation transformed in economic and social policy. While the booming economy of Britain has outperformed those of most of its G8 partners, its fiscal framework has remained sound while Blair has pursued reforms of the public service and national programs to improve health services, close income disparities and reduce child poverty. Far from reverting to the "British disease," Blair's New Labour leaves a domestic legacy of success. Wendy Thomson, now director of the School of Social Work at McGill University, gives a first-hand account as someone who was there as head of the Office of Public Service Reform in 10 Downing Street.

En quittant ses fonctions ce mois-ci après une décennie à Downing Street, Tony Blair laisse un héritage controversé en politique étrangère mais une nation aux politiques économiques et sociales rénovées. Tout en surclassant économiquement la plupart de ses partenaires du G8, la Grande-Bretagne a su préserver un excellent cadre financier grâce aux réformes de la fonction publique et des programmes nationaux visant à améliorer les soins de santé, à combler la disparité des revenus et à réduire la pauvreté infantile. Loin du « mal anglais », les nouveaux travaillistes de Tony Blair laissent donc un héritage positif. Wendy Thomson, aujourd'hui directrice de l'École de service social de l'Université McGill, offre un compte rendu de première main de ces années Blair, elle qui a dirigé au 10 Downing Street le Bureau de la réforme de la fonction publique.

Tony Blair and his colleagues set out to modernize the British Labour Party and social democratic politics, and ultimately to provide the leadership to transform Britain into a "nation comfortable in the 21st century." Reshaping Britain's belief in social justice and the post-war welfare state was central to this project. Sadly this attracts little mention in the debates about his legacy.

The history of Canada's health and social services has so much in common with that of the UK, one would expect Blair's social agenda to be more a source of ideas than a secret. So many of the social policy issues facing Canada are also faced by the Labour government. How should we finance a national health service, free at the point of use, as the costs of health care spiral and the demographic profile ages? How do we eliminate child poverty and tackle social exclusion as top incomes soar? How can we secure sufficient confidence in public education, when so many children fail to attain high school qualifications? How can we build public confidence in government's ability to deliver, so that citizens will trust it with more of their hard-earned money?

Blair's transformational legacy in social policy has been eclipsed in contemporary consideration by the war in Iraq, and all that has occurred there since 2003. But the war wasn't on his mind in early 2001, when Blair asked me to set up the Office of Public Service Reform in 10 Downing Street. He had the experience of office, the economy was going strong, he was pretty clear what he wanted to do, and he recognized that major reform of the public services was necessary to deliver it. Few prime ministers have brought such strategy and courage to the challenge over 10 years of office.

It will be difficult for people here in Canada and North America to imagine the centrality of the public service debate in British politics. And after 10 years of Blair's leadership, it may be easy for people to forget what it was like before. But as the leadership succession takes place, it would be wise to remember.

My 20 years in the British public service coincided with the events that gave rise to New Labour. In the late 1970s, as the PQ government in Quebec tried to rein in public spending, provoking labour unrest, the Labour government

of "Sunny Jim" Callaghan faced the fiscal and political crisis culminating in the Winter of Discontent. The economy was in decline, public finances were in disarray, public sector trade unions were on strike, and finally the International Monetary Fund directed the UK government to reduce its expenditure. The public experienced high unemployment, inflation, refuse uncollected, corpses unburied, stoppage of all public services, etc. — British Disease, as Margaret Thatcher famously called it. I was doing comparative research on social services in Quebec and England at the time, and both experienced similar challenges.

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But there the similarities ended. In the UK, this crisis was instrumental in the election of the Thatcher government, committed to reducing the role and size of the state. It introduced privatization of many previously publicly provided services and residualization of whatever welfare functions could not be provided on a commercial basis. There were major cuts in public services, which were also facing increased demands from people adversely affected by the social and economic changes of the time.

During this period, I worked for Ken Livingstone at the Greater London Council and witnessed the rate capping campaign that, with other confrontational policies, ultimately led to the council's abolition by the Thatcher government. London was left without a government. The impact on London boroughs, where I was chief officer, continued through the late 1980s and 1990s. Local politics were polarized — radical Labour councils opposed government policies and adopted ambitious policies, some more able to be implemented than others. Central government introduced its own version of radical change, as things said to be impossible were made law and executed — repeated cuts in public expenditure, less and less local financial capacity, privatization of first blue- and then white-collar services, performance-based contracts replacing jobs for life.

The Labour Party experienced the loss of every national election from 1979 until Blair's election in 1997. The experience of the radical Labour local authorities was formative for Blair and many others in the party. The new Labour government was determined to articulate a new vision for the social democratic left with a project based on "investment and reform" rather than tax and spend. Good economic management would enable increased investment in public services, but this would be on the condition of radical reform or modernization of public services. It would actively demonstrate its commitment to the value of public services. It saw the electoral risk of summoning up recollections of the late '70s when it was seen to wreck the economy and be held hostage by unionized service providers.

Economic confidence has been key. For 10 years the British economy has grown consistently, increasing jobs by 2.5 million and reducing employment to its lowest rate since the 1970s. Though Gordon Brown may take credit for the UK's economic performance, the disciplines underpinning it required Blair's personal leadership, a well-communicated strategy linking spending to reform, and party support. This was very challenging, particularly in the first two years of office.

Within the macroeconomic framework, set by the "golden rule" and the "sustainable investment rule," total government spending in the UK reached 48 percent of national income, as against a European average of 49 percent and Canada at 39 percent, according to 2006 OECD figures.

Though Blair may not have laid great claim to this increase in public spending, his record does not reflect the neo-liberal character charged by his leftist critics. Total managed expenditure will increase in real terms from £406 billion in 2000-01 to £542.8 billion in 2007-08 (the end of the current three-year spending review). The largest increase in resource budgets are in education (from £18.1 billion in 2000-01 to £35.3 billion) and health (from £49.8 billion in 2000-01 to £90.5 billion in 2007-08). This pattern of public service expenditure is the longest period of sustained growth in decades. Though financed largely through increased revenues generated from economic growth, Blair's decisions were to invest in public services rather than pay back debt or reduce taxes.

New Labour aims to "make welfare popular again," with policies to address both ends of the social exclusion spectrum: at the top end, the flight of the middle class from public services, into private schools, health care and gated communities, and at the bottom, the marginalization of people living on low income. Failure to address the needs of either end of the social spectrum adequately was seen to undermine political and fiscal

support for public services. The strategic goal of the Labour project is to secure this support, and it is one of the terms in which Blair's legacy should be judged.

The public sentiment that propels reform is basically about accountability — whose public services? And what value and interests are serviced by the money that goes from people's pockets to the public purse? This has translated into a drive for quality services, at a price people are willing to pay. Canada is one of the few countries that can really understand what the National Health Service means to the British public, as well as the deep longing of making it actually work. The regard with which the NHS is held makes changing it a high-risk endeavour. Unsurprisingly, doctors and other providers have found sympathetic hearings for their complaints about the pace and disruptions of change. But it would be wrong to believe that their story is the only one to tell.

Blair's government has introduced far-reaching reforms of the services most important to the public. In every case this has included specific targets allocated to local services, along with budgets, public reporting on performance and independent inspection of all establishments. Where it was important to deliver visible impacts quickly, dedicated units were set up with the funding and staffing to deliver specific changes such as eliminating the problem of rough sleepers or raising literacy. Blair took personal leadership for 20 priority targets in health, education, criminal justice and transport, lending their delivery the authority of the prime minister's office and the scrutiny of regular "stocktakes" on progress.

In reality these reforms were driven by a pragmatic search for "what works," but some common principles emerged. Services were charged to deliver explicit standards, wherever possible expressed in a way that the public could understand (for example, you could expect to see a GP within 48 hours; no one should wait more than four hours to be seen in emergency). Accountability for delivering these standards began with ministers, spelled out in the Prime Minister's letter of appointment, and then delegated to individual officials in central departments and local service agencies.

Emphasis is on delivering results, with government adopting a project management approach as more effective than the traditional bureaucratic hierarchy. Policy and legislation are not the end goal; it is their execution that matters. The Home Office expressed this difference when it changed its mindset from producing briefings and legislation to actually reducing crime (a shift insufficient to save it from its recent reorganization).

Changes have been made in how civil servants are recruited, appraised and rewarded, in order to address some of the problems associated with the way government does business. The clever "amateur generalist" is giving way in some areas to experienced managers and technical or scientific specialists. Appointments are made to deliver projects and not only to occupy a grade in the hierarchy. And though the initiative is still met with skepticism among career civil servants, promotion to the most senior levels of the service is meant to require hands-on experience of service delivery rather than a career in private offices and policy units.

Across the public service, staff are expected to take personal responsibility and work flexibly to deliver services. It is more common to see services delivered evenings and weekends, with people rewarded for extending their role to get the job done, rather than working to a negotiated job delineation. Empowering front-line services and staff is one way of getting round bureaucratic inertia, with devolution to schools and primary care trusts being two of the major reforms.

The principle of "contestability" probably most distinguishes Blair's thinking from that of some of his colleagues. Public service monopolies do not seem to have the inbuilt capacity to change, and top-down command and control has a high cost relative to the benefits achieved. The goal of reform is to design systems that will be more open and adaptive to change, where the needs of a population are assessed and services commissioned from a range of public, private and voluntary

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providers. A mixed economy of suppliers, sometimes but not always in competition with each other, is being introduced in many sectors. In some cases the aim is to provide greater efficiencies and innovation; in others the idea is to provide greater choice for service users, particularly in cases where services are not accessible (think of the Canadian passport service) or of poor quality.

Giving the public a choice of where they access services is the most controversial principle behind reform. It is the one most opposed by trade unions and probably the one most misunderstood here in Canada. Though a tiny portion of public services is provided by the private sector, in health and education, it hasn't changed their fundamentally public character. They continue to be financed through taxation, and free at the point of use. You can see what's available in your local NHS on the Web site, along with league tables of its performance and waiting times for common medical interventions. Many believe that it is Blair's wish to make irreversible progress in these reforms that has postponed his resignation.

For those who think Blair's support for health and education is too middle class a concern to merit his place among successful social reformers, there is also an impressive record on reducing poverty. Critics lump UK welfare reform with the US's welfare-to-work-type policies, but they are quite different. "Work for those who can and support for those who cannot" is the overriding principle, combining work and income support. Again in contrast to the US welfare-to-work programs, UK policy does not involve compulsion for lone parents or any social groups apart from single people under 25. But along with more jobs, tax credits and welfare reform, more people are in work and fewer on Income Support than at any time since the early 1970s.

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"Making work pay" has been central to this strategy, and the first national minimum wage was introduced in 1999. The impact of the minimum wage is measured by its "bite," the ratio of the adult minimum wage to the median hourly wage. Since it was introduced in 1999, according to the Low Pay Commission, its bite has grown from 47.6 percent of median earnings to 53 percent in October 2006. This equated to a 35 percent increase in the minimum wage, compared to an average earnings increase of 26 percent (from 1999 to October 2005).

Like the Canadian government, Blair also made the commitment to "end child poverty within a generation." But he then set out to actually deliver it. A public service agreement commits the government to "halving the number of children in relative low-income households between 1998-99 and 2010-11, on the way to eradicating child poverty by 2020."

Changes to the tax and benefit system have been made to enable people to move out of poverty. Child benefit payments (the universal child allowance) have been increased in real terms. The Child Tax Credit provides a single system of support for families with children, payable to the mother irrespective of work status of the adults in the household. Working Tax Credit supplements have been introduced for low-income working families (with or without children), with several components for disabled workers, child care costs, lone parents and couples. The child care element of the WTC offsets the costs of child care for low- to medium-income parents who work at least 16 hours a week. In 2005-06, it was worth 70 percent of the first £300 per week per child (a rather sharp contrast to Stephen Harper's $100 a month). It has also increased allowances for young children in non-working families through Income Support and introduced Child Trust Funds for all children born since September 2002.

As a result of these programs and economic performance, the long-term trend of rising child poverty in the UK has been arrested and reversed. In all, 700,000 or 17 percent fewer children (from 4.1 to 3.4 million) are living in poverty in 2006 than in 1998-99.

But the strategy to reduce social exclusion has been not only about income, whether from work or benefits, but about people's opportunity to participate fully in social, political and economic life. One of Blair's first additions to Downing Street was setting up the Social Exclusion Unit. Its brief was to develop strategies for preventing social exclusion (rather than just dealing with its effects), ensuring that mainstream public services deliver for the most disadvantaged people.

Since its establishment, the unit produced over 40 reports, bringing

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Tony Blair and Stephen Harper at the front door of 10 Downing Street, perhaps the single most famous address in the world, and Blair's home as British prime minister over the last decade. Wendy Thomson, who worked with him there, writes that it was a privilege.

tough social issues to the centre of government thinking. Strategies such as neighbourhood renewal recognized the spatial concentrations of poverty and social exclusion and targeted neighbourhoods of less than 4,000 households. Thirty-nine "New Deal for Community" partnerships were each allocated, at between £35 to and £60 million, £2 billion overall for a 10-year period, to rebuild housing, develop employment and training, renew public infrastructure and strengthen local services. Longitudinal data is expected later this year, but the most recent study concluded that these neighbourhoods have shown improvements.

Public services were seen as central to neighbourhood renewal and the idea of "floor targets" was introduced to judge performance by how well services perform in the worst neighbourhoods rather than the average. The idea is for services to target their resources and policies to the most deprived areas, shaping services to reflect local needs and "joining up" services across departments and agencies. A study produced in 2005 analyzed the impact of mainstream public services on neighbourhood deprivation. It showed that per capita expenditure increased significantly from the

least deprived to the most deprived wards. Performance on floor targets has also increased, hitting the levels set in previous spending reviews.

So to a very great extent, Blair's strategy of reinventing social policy has been delivered — it has moved the centre of British politics to the left, and irreversibly changed the discourse on public services from one of residual survival in areas of market failure, to social investment in universal services. You don't hear Conservative leader David Cameron echoing Thatcherite declarations about there being "no such thing as society"; no one is arguing for the end of universal health care, and the collective responsibility for vulnerable people is unchallenged. Even local authorities are being welcomed back into the heart of public service delivery, with cross-party support for the decentralizing recommendations of the recent White Paper.

And it has been delivered while improving health and education services, reducing poverty and tackling social exclusion in the most disadvantaged neighbourhoods in the country. Not everything that has been done to deliver these changes has been popular, and not every initiative has worked. But it is hard to imagine better political leadership than Blair to take on the challenge.

But what has this to do with Blair?

Working with Blair to "make welfare popular again" was a real privilege. Rarely has a prime minister anywhere focused on a domestic agenda over such a sustained period of office. A lot of work had been done prior to 1997, which shaped the government's thinking on social investment, governance, choice in health and education services, and social exclusion. Blair has an unusual capacity for both strategy and execution. He would personally write strategy papers to inform Away Days at Chequers, with his thoughts on the big issues facing the nation and the next steps for advancing the project. The regular stock taking with ministers on key priorities was an innovation, and gave enormous support to moving policy forward and overcoming problems. The collaboration between the policy unit, academics, and experienced public service managers was incredibly creative, a creative as well as a challenging working environment.

The style in Downing Street was informal, reflecting Blair's preference for getting things done rather than being caught up in committees. Sandwiches from local cafes were eaten at his desk, and little Leo was often around the house as he was learning to walk (down the corridor from the big black door to the cabinet room) or delivering fruit to his father's office on his plastic trolley.

Blair's informal style and avoidance of cabinet committees earned him criticism from long-time Whitehall watchers, who argued that the PM had no business involving himself in health and education and other domestic matters best left to secretaries of state. It was also said that maintaining Britain's position in the world should best be left to the Foreign Office. One could wonder what it was that the PM was supposed to be doing. In his welcome meeting, the cabinet secretary made it clear to me: a British PM was responsible for very little, apart from chairing cabinet and patronage (in terms of appointments). This was not the way Blair saw the job. And for the social project he led, that's a good thing.

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