

The laws of government (consolidated text)

The first law of government is the law of continuous expansion.

In a democracy good causes line up as lobbyists demanding government gets involved. They lobby for government to intervene in areas it does not currently manage. They demand new laws and controls on things they do not like. They demand more money and supply of things they do like from the state.

The official government machine encourages lobbying for more as they like growing their tasks. Ministers often dislike constantly saying No to lobbies and buy them off by offering them cash and laws to help them.

Oppositions usually take up lobby causes and press the government. If the government gives in they claim some credit. If the government resists they claim the government is mean, tough, insensitive or worse.

The media join in, running campaigns on behalf of lobby groups and behaving like Opposition parties.

There are very few lobbies the other way. The causes of a smaller state, less government control of our lives and even of lower taxes have very few lobby groups arguing for them as a counterweight. They are chronically under represented in the media.

The second law of government is the Treasury is usually weak at spending control but gets blamed for underfunding.

The Treasury is hopelessly outnumbered by spending departments in government. It can only hope to exert effective control if the Finance Minister and PM or President work together, and if spending decisions are mainly taken in bilateral meetings between the Treasury and the relevant spending department rather than in a wider forum .

Government departments can get more money by running things badly and demanding bail outs near the end of the year. They can get more cash by claiming it for crises or issues which come up in year. They can work with lobby groups outside government to create pressure for increases. Some are good at securing money for their next year's budget under headings where they know they are unlikely to spend it all. They then vire this approved spending to another purpose later during the year, securing cash for something which might not have been approved if asked for originally.

It is commonly believed in government circles that a Treasury has too much control over spending and that a Treasury makes spending judgements that prevent other departments doing a good job. This is usually a dangerous myth. It comes from the proposition that new initiatives or demands need new money to pay for them. In practice there are often falling demands or waning

initiatives elsewhere in each spending department. There should be a more active pursuit of the things the department no longer needs to do at the same time as finding new things it is desirable to do. Old government initiatives rarely die. They rest in some distant corner of an administrative office, and keep their budget line.

The third law of government is its expansion is built into all the policy programmes of centre left and left parties.

It is easier being a left Minister as you are going with the flow of continuous government expansion set out in the first law.

The left welcome the idea of higher taxes to pay for more government. They see higher taxes as a good in themselves. They enjoy inventing new ways of taxing success and attacking independence and enterprise.

The left seek to monopolise the votes of public sector workers by being a kind of extended Trade Union for the state sector. They constantly seek better conditions of employment for public bodies, and more staff to carry out tasks, at the expense of the private sector.

The left believe public delivery of goods and services is morally better than free enterprise doing the job.

The left believe that people and families allowed to make their own choices and allowed to keep more of their own money to spend will make bad ones. Government is necessary to restrain and tax the successful whilst making the less well off dependent on the all providing state who can then control and direct their lives. They hope for gratitude for state hand outs they conjure, but rely more on making false claims about the threats to people they allege the right represents. They seek to create a myth that right of centre parties enter politics to harm others.

The fourth law states that governments use the international rules based order to bind themselves into aims and policies which they place outside democratic control.

Some think governments undertake the international rules based approach to satisfy the vanity of rulers. They like to perform on the world stage, and are happy to sign grand undertakings to show their collective importance. There is more to it than that. International rules and commitments built into Treaties strengthen the powers of unelected officials and advisers, and reduce the number of areas that elected politicians can in future change. Officials negotiate much of the detail and pre-empt future choices and options for Ministers and new governments.

In its most developed form, EU membership, incoming elected governments have so much less scope to change and improve things than in non EU countries. They inherit a vast amount of EU law which remains as a given with no EU level impulse to repeal or reduce. As Euro members they inherit an economic policy largely determined outside their state, with interest rates, budget deficits and other matters settled or controlled from the EU centre.

The EU requirements are enforced through an EU controlled court with the power to fine, to withhold access to EU money and to impose other sanctions. It greatly reduces what elections can alter.

Some of these international bodies allow independence of thought and action. NATO, for example, leaves members free to decide whether to join a NATO mission or not in any given case. The WTO is a series of rules for freer trade with a dispute settlement procedure, where any penalties have to be proportionate to the infringement and of the same kind. The international Treaty obligations around climate change are mainly enforced through moral and political pressures. Increasingly the Climate Change framework does pre-empt policy and decisions in a wide range of governmental areas from energy and industrial policy through transport to agriculture.

The international rules based system has two main weaknesses. The first is that the alternative world view held by China, Russia, Iran and their allies allows them to behave in very different ways and sometimes to find and exploit weaknesses in the West's approach. The open statement and predictability of the West's approach is seen as a weakness. The second is how the rules are applied by an elite of well paid unelected officials acting as legislators and enforcers can cause a rift between a majority of the electors and what government is doing and saying. The more Treaty commitments a country makes the less power electors wield to demand change. The most important clause in a Treaty which dictates policies and laws to us is the exit clause.

The fifth law is Ministers who wish to make a difference have to find ways round the first four laws of government.

I have recently set out how Ministers can, for example make a difference by supervising and influencing quangos, or by taking back control from external bodies by legislation.

There are three main roles for Ministers to perform when supervising and sponsoring quangos or so called independent government bodies.

The first is to supervise the expenditures of public money. These bodies often rely on substantial grant income which needs to be agreed with Ministers and approved by Parliament as part of the annual national budget. A Minister can reasonably ask for a budget meeting with the quango to discuss their financial needs and to indicate to them likely financial support levels. There may need to be follow up exchanges depending on the negotiations within government with the Treasury about what is affordable. The budget meeting is a good opportunity to review the aims and resources of the body, to press for better value for money and to define precisely for the following year what is expected and what is needed by way of financial support. This is a process which gets reported to Parliament and can be subject to debate if the budget of a quango becomes a matter of public or Opposition concern.

Some of these quangos depend in whole or part on money they raise from charging user fees and licence fees on those who use their service. Usually

the fee levels are regulated under legislative powers by Statutory Instrument. Often these bodies want annual fee increases which will need SI amendment and therefore Ministerial and Parliamentary approval. Under weak Ministers there is a tendency to accept any fee increase proposal the body requests, and to hope that the Opposition in Parliament will not bother to query or debate it. As left of centre oppositions rarely object to higher public sector fees and charges it is particularly incumbent on Conservative Ministers to be vigilant in the public and user interest. This is another variant of the budget review and conversation.

The second is to review and report on the annual performance of the body to Parliament. The Minister can ask to see a draft copy of the body's annual report to review, or can require a meeting with the body after it has submitted its annual report to the sponsor department. This is another good occasion to review the aims and achievements of the body, to thank them if they have done well or to ask them to do better if they have not. It is a good idea for a Minister to show interest in the performance targets to be set for the ensuing year and in the performance achieved in the year under review. Again Parliament may if it wishes receive, read and debate the report of a government body.

The third is to require additional special meetings if the government wishes to change the aims and demands on the body, or if the body needs to report unexpected problems and difficulties, or if the Minister has become aware of a body of complaints and criticisms that are or will become public that he or she needs to answer. Such matters should of course be reported to Parliament unless there is some special good reason for confidentiality because for example matters relate to a vulnerable individual or to possible legal proceedings that must not be prejudiced..

Ministers are also entitled to become involved with recruitment to Boards of these bodies and to some of the senior management positions. If there is to be a change of chairman or chief executive this is another good opportunity to review performance and ask questions about aims and targets for the future.

If there is a good series of meetings for the more important quangos Ministers should avoid nasty surprises about the conduct and performance of these bodies, and the leaders of these bodies would stay well informed about the overall government policy context in which they are working and about the likely level of resources they will enjoy to carry out their tasks. The bodies should remember they are governmental and part of a greater whole answerable to Parliament. Ministers should remember they are not the day to day managers, they do not have quasi judicial powers over the regulatory work of these bodies and should not normally intervene in individual cases.

Ministers also need to be careful about accepting binding commitments in international Treaties. If they agree with the aims of a new International proposal they can state their intentions to follow it and to meet domestic targets without making an irrevocable commitment which will make it difficult for a future government to alter it.

There needs to be a strong Treasury dedicated to productivity and quality improvements in public services and capable of challenging moves to expand the areas of government activity.