Why was the GLC abolished?

by Brendan O’Leary

The Greater London Council (GLC) and the Metropolitan County Councils (MCCs), the directly elected tiers of metropolitan government in England, were abolished on 1 April 1986. This paper examines why the GLC was abolished. London local government was distinct. London is the largest UK metropolitan area and has had a metropolitan government with different functions from those exercised by the MCCs. But although the descriptions of the GLC and MCCs were capable of being separated, understanding why the GLC was abolished does serve to explain why the MCCs were faced by the Westminster government.

Explaining the abolition of the GLC requires two levels of analysis to be satisfactorily investigated. Exploration is required first of the intentions and interests of those who favoured abolition, and second of the structure (administrative, political, ideological and class) in which the Conservative government found abolition ‘thinkable’. Four explanatory strategies are academically current and will be evaluated. The understanding provided by each strategy is made as defensible as possible before being criticized. The evidence for evaluating explanations is derived from interview and documentary data collected by the Greater London Group (Cley et al., 1985). All the explanatory strategies, while illuminating, are shown to assume rational decision-making which does not match the evidence. The abolition of the GLC was a folly, best understood as an outcome of the Thatcherite style of government.

1 Administrative explanations: organizational redundancy?

Politicians frequently advocate administrative reorganizations but then fail to deliver (March and Olsen, 1985). The execution of the GLC was different. The Conservative Party Manifesto of May 1983, a government White Paper produced in October 1983, and public statements by Patrick Jenkin, appointed Secretary of State for the Department of the Environment (DOE) after the 1983 general election, all asserted that the GLC was administratively redundant. The manifesto was brief: "The Metropolitan Councils and the Greater London Council have been
shown to be wasteful and unnecessary tiers of government. We shall abolish them and return [sic] most of their functions to the boroughs and districts. Services which need to be administered over a wider area . . . will be run by joint boards of borough and district representatives (Conservative Party, 1983). The government implemented its plans within three years of being reelected. As elaborated in the White Paper and by Jenkin, the government’s case had three components. First, elected metropolitan government was ‘functionally superfluous’; its abolition would save money and streamline the cities. Second, lacking real functions, GLC councillors had transgressed into inappropriate spheres of policy. For example, the GLC leader Ken Livingstone’s interventions on questions of world war and peace and the politics of Northern Ireland were considered outside the constitutional ambit of councillors. Third, the GLC and MCC’s had broken the expenditure targets set by the government since 1981–82.

Elite opinion outside the Conservative Party disputed the government’s arguments, especially in the replies to the White Paper sent to the DOE. Of the written responses to the DOE’s paper less than 10% were favourable. Only one academic response to Streamlining the Cities was supportive on administrative grounds, arguing that the GLC had become incapable of fulfilling its original brief in housing, transport and planning (The Joint Centre for Land Development Studies, 1984; Hart, 1984).

Was the GLC functionally redundant? Almost all of the metropolitan-wide services administered by the GLC continued after 1986. Accordingly, the sole credibility of the description ‘functionally redundant’ was that elected councillors and the central GLC administration. The government’s administrative argument was that improved ‘economy, efficiency and effectiveness’ would result from the new arrangements. However, from May 1983 until June 1984 this case rested upon assertion rather than published research. The government refused to estimate implementation-costs or project long-run savings until long after the publication of the White Paper. When it obliged, its case was built on dubious premises and directly contradicted the studies commissioned by the GLC and the MCCs from private sector accountants (Coopers and Lybrand, 1984; Hart, 1984). The government’s estimates were published long after the decision to abolish had been made, confirming Fieldman and Manchel’s (1981) suggestion that the rhetoric of administrative rationality is intended to reassure observers of the appropriateness of the actions which are being taken rather than to influence the actions themselves.

Any ‘savings’ which will accrue from the reorganization will come from fiscal and manpower-capping under the new arrangements, unemployment amongst ex-GLC staff, and from small-scale policy terminations. None of these potential savings were subjected to a public cost-benefit analysis. There was no ‘overspending’, constitutionally speaking, before the Rates Limitation Act of 1984, and most local spending in London was carried out by the boroughs, not the GLC. Anyway, if “overspending” was the government’s prime concern, critics wondered why rate-limitation and expenditure limits were not sufficient to control it. The government’s complaints about constitutional trespassing implied a very circumscribed view of the roles of locally elected representatives—should they only speak on matters for which they are electorally responsible? But the most damning indictment of the government’s case was its partiality: many of the administrative criticisms of dual-tier elected metropolitan government can be applied with greater force to the dual-tier system of county and district councils which operate in suburban and rural England and Wales. However county councils were bastions of the Conservative Party.

Some contended that the government’s case was sound because the rationale for the GLC had disappeared. It was claimed that the case for London metropolitan government when it was set up in the 1960s had been based upon arguments about economies of scale and strategic control of housing, environmental planning, and transport (especially road-building) (Hart, 1984). The GLC’s housing policies were unsuccessful and by the 1980s it was in the process of divesting itself of its remaining functions (Young and Kassam, 1978). Planning had scarcely been exceptionally effective (Harding, n.d. Clegg et al., 1985). And by the middle of the 1980s the Thatcher government the GLC’s days as a transport authority were numbered. Deficit over its low fares policy by a controversial House of Lords judgement in 1981 (Griffith, 1985, 142–49), and underestimates in 1982 by an all-party House of Commons report which recommended that a quasigovernmental agency be established for London transport, the GLC had ceased to be a powerful transport authority. Most spectacularly the GLC had failed to build the Greater London road network which had been a major reason for its establishment.

These redundancy arguments had some substance and ministers were quick to make more of them when they understood their public value. Chart 1, the GLC Programme Budget 1982–83, shows that the combination of the run-down of the GLC’s housing function and the likely loss of control over public transport would have left public Health and Safety (fire and waste disposal services) as the GLC’s major metropolitan-wide programme.

Kenneth Baker, a new minister brought into the DOE in September 1984 to provide support for Jenkin, made redundancy the centrepiece of his argument in a TV debate with Ken Livingstone in October 1984 (Forrester et al., 1985, 119). But these arguments had featured less prominently in the early days of the government’s public relations, and were plainly just how rationalizations.

The measure excludes the Inner London Education Authority (ILEA) which actually accounted for half of the total GLC budget. ILEA, in its name implies, is not a metropolitan-wide service, but in fact represents the survival of the education function of the former London County Council (LCC).
In fact these redundancy arguments were not compelling. The GLC’s original housing, planning and transport powers had been weakened over two decades through actions taken by London Conservative boroughs and Law Lords, and not because of administrative loci. Complaining that a disembodied person cannot walk is unjust. The Conservative GLC administration of 1977–81, appreciative of the redundancy threat, had set up an inquiry into the future of London government (Mackell, 1978). The inquiry’s Report recommended the preservation of the GLC — as did Baker and Jenkin at the time — although it stressed the need to change some of its functions. New policing, health and transport functions were commended, whereas housing and social services were candidates for deletion. So even for Conservatives administrative loci did not necessarily suggest abolition. The case for reform, genuine streamlining and reorganisation was as, if not more, compelling.

Controversy over the ‘democratic’ content of the proposed reorganisation, and a proposal to cancel the GLC elections due one year before abolition (which was passed by the large Conservative majority in the House of Commons), brought the government’s case into disrepute. A successful Opposition campaign on the latter issue ended with defeat for the government in the House of Lords in the summer of 1984. The government was obliged to leave the Livingstone administration in office until April 1986. The defeat indicated a lack of tactical foresight in implementing the decision to abolish, and cast doubts on the overall planning behind abolition. Also, the evolution of new quasi-governmental agencies (QGAs) to replace some GLC and MCC functions, by a government sworn to quangocide (Hood, 1980), was odd. The creation of joint boards of QUELGOs (quasi-elected local government organizations) for other functions was even more odd. The proliferation of QGAs and QUELGOs, each with its own administration, means that the government has created duplication where it claimed to be removing it. ‘Does the government really know what it wants?’ was a constant refrain amongst those interviewed by the Greater London Group. Strangely, still was the rapid and unexplained concession of direct elections to the Inner London Education Authority (ILEA), which accounted for over half of GLC expenditure. ILEA was the only proposed QUELGO made into a DELEAO (directly elected local government organization). ILEA has been Thatcher’s personal Â£te since her days as Secretary of State for Education (1970–74). Yet it survives the abolition of the GLC! And it has never been made plain why it was rational to have direct elections for ILEA compared with other GLC functions.

The palaver created, ranging from protests by almost every metropolitan consumer and client group to many Conservative in Parliament, showed that the government’s administrative case was not believable. Administrative rationality legitimised an action taken for other reasons, and became important only after the decision to abolish had been taken. The government was ill-prepared for implementation which posed the question why the policy of abolition had been formulated in the first place.

II Political explanations: suburban, business, party, bureaucratic and centralizing pressures?

Most political scientists explain a decision by looking for organized groups and politicians with interests in its adoption, and by identifying longer-run trends in which the decision can be rationally situated. The organized groups with an interest
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in abolition are easily identified: suburban London boroughs, business organizations and Conservative politicians. The trends normally highlighted by political scientists are increased centralization and conflict in UK intergovernmental relations.

1 Suburban ambitions and popular apathy?

London government is arguably inherently insecure because it is the site of intense symbolic conflicts, and an electoral prize without equal (Young, 1984). Also London politics . . . tend toward the zero sum, with one win gaining another's loss.

Here is the principal reason why national governments have historically sought to balance interests in London by creating a two-tier or 'dual' system, and so reap the claims of the centralists (Justice for the poorer areas') and the localists ('Community for the richer') (Young, 1984, 14). Abolition of the GLC can be seen as the latest episode in an old struggle between suburbia and the inner city, an outcome of territorial political conflict. Young predicted abolition in 1975 and continued that the dismemberment of the GLC was 'neither a vindictive act by the government upon its political opponents, nor . . . the personal fail of a autocratic minister' but rather the product of continuous pressure for GLC abolition. In classical pluralist he contends that the build up of pressure for abolition made it a question 'not whether the Conservatives would act against the GLC nor why but when' (Young, 1984, 30). His argument is greatly overstated.

Young relies too heavily on selective evidence that the GLC was weakened before the decision to abolish it. He notes correctly that the Labour Party had in 1963 opposed the setting up of the GLC. He omits to note that subsequently within the London Labour Party and the Parliamentary Labour Party had ever favoured abolition. Young notes that former GLC councillors and alderman publicly attacked the GLC and one had led 32 candidates into the 1977 election on an abolitionist platform. He omits to mention that they polled a disastrous 0.25% of the votes cast. These figures do not suggest much dissatisfaction with the GLC. Indeed many turnout in recent elections suggests an increase in its public support (see Table 2).

Young's emphasis on these minor manifestations of hostility to the GLC, reproduced in recent publications (Fowles et al., 1985; Flynn et al., 1985) is absurd. Moreover, the Conservatives who had held the GLC between 1977 and 1981 had supported the Marshall inquiry which rejected abolition, and they did not fight the 1981 election on an abolitionist platform. Their dominant slogan was in fact 'Save London from decadence'. The extent of user pressure for abolition before 1983 was miniscule.

There was no viable and extensive group lobbying for GLC abolition before 1980. Although the Confederation of British Industry (CBI) wanted the MCCs abolished and campaigned against high rates, it was 'baffled when' the GLC abolition. The paralysis of the CBI's public statements on the GLC.

Table 2 Turnout in GLC elections 1964–1981

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<tr>
<th>Year</th>
<th>Electors</th>
<th>Persons Voting</th>
<th>Turnout %</th>
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<tr>
<td>1964</td>
<td>5,466,756</td>
<td>2,413,600</td>
<td>44.15 (a)</td>
</tr>
<tr>
<td>1967</td>
<td>5,319,133</td>
<td>2,167,785</td>
<td>41.13 (a)</td>
</tr>
<tr>
<td>1970</td>
<td>5,524,384</td>
<td>1,943,780</td>
<td>35.18 (a)</td>
</tr>
<tr>
<td>1973</td>
<td>5,313,470</td>
<td>1,060,270</td>
<td>31.00 (b)</td>
</tr>
<tr>
<td>1977</td>
<td>5,183,668</td>
<td>2,290,932</td>
<td>44.21 (b)</td>
</tr>
<tr>
<td>1981</td>
<td>5,086,597</td>
<td>2,209,843</td>
<td>44.47 (c)</td>
</tr>
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Sources: (a) GLC Information Services; (b) Byrne 1983, 108; (c) G. Husbands, LSE Election Studies Unit.

and the fact that its views on metropolitan government issue to have followed rather than led the government (CBI, 1983; 1984) confirms this estimation. Indeed in its admission to the Marshall inquiry in 1978 the CBI said unequivocally rejected abolition: 'We do not believe that such a policy is either practicable or desirable' (CBI, 1978).

However, Young's best argument is the stress he places upon the activities of suburban factions within the London Conservative Party. They had put the abolition 'cause' on the parliamentary leadership from the mid-1970s. As suburban London borough councillors they had broken the GLC's capacity to implement a redistributive housing policy in the 1960s, and in the early 1980s they had taken the legal action which stopped the GLC pursuing a radical transport policy. On Young's account abolition was always their maxim. Young's account is always their maximistic objective given their fear that the GLC might be reconstituted as an instrument of radical redistribution. Young locates an undeniable pressure point for abolition in these suburban London Conservatives, but apart from naming one rather minor Conservative MP, provides no detailed account of how local Conservative pressure was mediated through to the Parliamentary leadership. And in British politics the linkages between local and national politicians have traditionally been rather weak.

2 Anticipating the needs of privileged groups?

Business, according to a well-known argument, often has its interests met in polyarchies without having to articulate its demands (Lindblom, 1977). It is easy to construct a plausible case for why privileged business and financial organizations in London might have had their interests met by GLC abolition. Several initiatives by the Livingstone administration appeared contrary to business interests. Labour's raising of local taxation raised the total tax burden on London businesses, especially when the Labour group decided to avoid neutral controls on its spending by financing itself entirely out of such taxes (foreground central government grants). Labour's subsidized transport policy, its financing of the Greater London Enter-
pene Board (GLEB),4 and its threat to invest the GLC’s pension fund outside strict market criteria, all arguably created a business interest in breaking the GLC. The GLC’s dormant planning powers also represented a potential constraint on business development. The Livingstone administration did change the CBI’s perspective on the GLC. It formally lobbied for abolition of the GLC in May 1983 – but it is unclear whether or not this was after the decision to abolish had been taken. Aims of Industry, a more vitriolic business pressure group than the CBI, had launched a £200,000 campaign to bring down Livingstone in late 1981. Its campaign was called ‘Keep London Free’ and included a further £200,000 to fund any body who wished to take court action against the GLC. The launch was attended by several key companies.5 It is also easy to construct a case for saying that the financial organizations which dominate the City (the central financial district), and the City of London Corporation (the long-uniformed local government borough), had a vested interest in abolition. The City, but always opposed a powerful London-wide authority because of the threat it might pose as a vehicle of redistribution within London.

However, it is also equally easy to argue that abolition was not necessarily in the interests of financial and business organizations. The debate over London government predictably revolved the question of the City of London Corporation’s feudal structure. In fact the last chairman of the GLC, voted at the final parliamentary debate on the 1985 London Government Bill that a future Labour government would not only re-establish a more powerful version of the GLC but would also unashamedly proceed with the abolition of the City of London. Moreover, the corporationisation of London may not be beneficial for business. The costs of corporatisation were not estimated in advance. The complexity of the new arrangements will be a burden on businesses as well as citizens. There is little profit to be made in public transport, waste disposal and fire services which would also have the effect of lowering the costs of other business-users. The government did not seem to have a coherent privatization agenda for London public administration. Furthermore, the GLC’s transport policies, and the financing of GLEB, were not necessarily against business interests. The former constituted a wage subsidy, the latter a minor source of funding to small enterprises. The government arguably acted without a clear conception of where business interests lay. The Financial Times’ editorial on the House of Lords’ judgment of 17 December 1981, which outlawed the GLC low fares policy, showed a woeful appreciation of business’ interests than the tabloid press or the Conservatives: ‘As an essay in transport economics or managerial theory the Lord’s judgement is gravely flawed’. Subsidized transport, implied the Financial Times, was not obviously against the interests of capital. In short, it is not very compelling to make the Lindsay or Marxist-style argument that the government

4 On the two penny rate see Footnote 2.
5 Conservative columnist Anthony Wigglesworth of the Aims of Industry launch that many of the groups trying to get rid of Livingstone belong to the same world of property developers which has raised most of London’s public houses. It was impossible to keep control of them.

The most popular explanation of GLC abolition is party-political. Suburban and parliamentary Conservatives wanted to destroy elected metropolitan government because they were unlikely to control it, especially when their party held central government. The commonsense explanation of abolition is a by-product of party competition is plausible. British local government ‘reform’ in the twentieth century have been marked by the opportunism of party elites. The creation of the GLC was, in part, the product of the Conservative wish to destroy Labour’s grip on its predecessor (Smallwood, 1965). Local government reform under the Heath administration (1970–74) was characterized by gerrymandering in favour of the Conservatives. The weak forms of metropolitan government established under Conservative governments showed that technocratic and political concerns were carefully traded-off (Dunleavy, 1980b; P: Sharpe, 1978, 83–4). Every postwar period of Conservative government saw attempts to reconstruct local government against the interests of the Labour Party. The abolition of the GLC and MCCs is simply the latest of these. The Eames did not consider abolition when Labour won control of all the MCCs and the GLC in 1981 because, the government’s popularity was at its nadir. But after the Falklands War boosted its poll-ratings the manoeuvre was “thinkable”. Adversarial politics, the different electoral cycles of the three levels of government in London (national, GLC, and borough), as well as the different constituencies involved, produced ‘pendulum politics’ with the political parties taking positions on local government autonomy entirely related to their current strengths in the three tiers of government (Flynn et al., 1985).

The party-political explanation requires qualification. The advantages of abolition were not obvious in either the short or medium term. The Labour Party would remain hegemonic in its urban heartlands outside London. Conservatives were di
tressed at the incompatibility of unitary reorganization plans for London which seemed to guarantee Labour disproportionate representation on the joint boards (hence the prediction of pamphlets like ‘How do we get out of this mess without appearing foolish’? (Gent, 1984)). The ill-considered presentation of abolition confirmed these fears. Public opinion polls on abolition and party fortunes showed that abolition damaged the Conservatives both nationally and locally (Hustings, 1985). Labour’s support in the capital had shown a downward trend since 1971, and their 1981 GLC victory was very modest.6 But Labour’s support rose dramatically after the decision to abolish the GLC. The government’s proposal, and then a successful advertising campaign by the Opposition converted the Livingstone administration for the first time into one backed by the majority of the London electorate. Embarking upon abolition also endangered the Conservatives’

6 Labour only won control of the GLC because the newly formed SDP failed to contest the election.
local government bastions, the rural and suburban shire counties in England and Wales. Threats of future central intervention to raise local spending and abolish the county councils went quickly into the opposition parties' agendas (Labour and the KDE/Liberal Alliance). So unskilled and suboptimal opportunities were at work if the decision to abolish was partly motivated by party interests.

4 Bureaucratic politics?
The Greater London Group has also looked for evidence of borough and central government professionals eager to build empires upon the ruins of the GLC, as for evidence of GLC employees eager to be 'depolitized' and given scope to make policy 'responsibly'. Central government staff in the DOE, irritated by the wrecking of their financial controls by the GLC, were prime suspects. But they were instructed to make themselves unavailable for interview. The Department of Transport (DOT) filled with people who 'like building roads' were free of parochial constraints also harboured suspects inviolable for interview. In the MCCs the existence of conflicts between the districts and the metropolitan tier over transport and land-use planning is well documented (Flynn et al., 1985, Chapter 4). In London planning failures were the outcome of professional as well as territorial conflicts. Greater London Group interviewers did find outer London borough professionals, especially planners, eager to be free of GLC constraints. Judging from pre-coalition reports, some 'high-level transport professionals were also unhappy' with GLC 'interference' and confident to be hired off as the London Regional Transport Authority in 1984. So the claim that 'there is no coalition of interests in favour of the proposed change' (Flynn et al., 1985: 22) was not correct. There were overt political and latent professional interests at stake.

5 Centralization and intergovernmental relations?
More broad-ranging political explanations situate abolition in the long-run centralizing trend of postwar British politics. For example, Bulloch's (1983) analysis of UK intergovernmental relations suggests that the Thatcher government represents the revitalization of traditional Conservatism, freeing central government from corporate and pluralist interdependence. British central elites have become increasingly perceived with territorial management and reorganization because of the pressures of long-term economic decline. The reforms of British government in the late 1960s and early 1970s were marked by a technocratic ideology and by the desire of the center of simplifying and thereby (control) intergovernmental relations. The GLC was backed by Whitelaw in the early 1960s to build roads and modernize London's urban economy which the inherited fragmented local government was not capable of doing. The unspoken 'dual politics' of high (central) and low (local) politics which described British central-local relations from the first world war until the 1960s (Bulloch, 1983) was transformed as low politics (especially local spending) became a prime concern of central elites.

The Thatcher government by contrast began life as a defender of the citizen against local government. Privatization, legislation to curb public sector trade unionism, the enforcement of council house sales, and the stepping up of 'economy, efficiency and effectiveness' drive were components of the New Right approach to local government. Decentralization seemed to be the overall objective. But the Conservatives undoubtedly have harnessed the centralization of British intergovernmental relations as a by-product of the pursuit of their other policies. Local government spending was opposed to government objectives, and the abolition of metropolitan government and rate-capping became the objectives of central elites bent on strengthening the central state for the purposes of crisis-management and restructuring.

Three aspects of intergovernmental relations are focused upon by pluralist political scientists, viz. participation, conflict and mandates, and the differential democratic quality of government tiers (Dunleavy, 1980a). But government concern about voter participation did not provoke abolition, nor justify it. Participation in GLC elections was rising (see Table 2). Government rhetoric was focused upon conflicts between metropolitan and central government. The GLC Ethnic Minorities, Police Monitoring and Women's Committees, and the GLC's Economic Policy Unit, Greater London Training Board and Welfare Benefits Units, all established in 1981–82, were initiatives a laudable with the cultural policing, industrial and social strategies embedded in the manifestos of the two Conservative-Liberal election victories of 1979 and 1983. However, had conflicting mandates been the government's prime concern, less drastic options than abolition were available. Clever demarcation of responsibilities, curtailing local authority initiatives, and changes in the electoral system were feasible ways of managing conflicting mandates. As for the differential quality of tiers of government, GLC government was more open than central and many borough governments. It was less remote and more socially representational than central government. The GLC had not been more corrupt than the boroughs or the DOE, and the reorganization seemed likely to create opportunities for corruption. The GLC (and the MCCs) experienced regular party alternation (Flynn et al., 1985, pp. 54–5, 75–6), unlike many boroughs which remain bastions of one party rule. And the reorganization is less than transparently democratic. So reorganization was not undertaken to improve the functioning of intergovernmental democracy.

The abolition of the GLC must however be partially explained as a byproduct of intergovernmental conflicts. The London metropolitan tier was sandwiched for two decades between central government and the boroughs, with party and professional coalitions competing for the electoral electorates in London. On all the critical variables of Flower (1981) influential model of British central-local alia-
tions, viz. finance, political access and support, professional expertise, jurisdiction and administrative relations, the GLC was the weakest actor in the three-crowned power-dependency game. The abolition of the GLC and MCCs must also be understood as a byproduct of interorganizational conflicts in central government. As told in the Economist (16 March 1985) the abolition of the GLC and MCCs came onto
the agenda at the outset of Treasury pressure on the DOE to reduce local spending. After the embarrassing failures of their first initiatives DOE officials suggested to Minister Heath that if he coped with the 'big left wing overspenders' there would be no need to introduce complex and unworkable financial penalties. Heath himself, and other central departmental ministers were sceptical of the merits of abolition but Treasury pressure had placed the fate of the GLC on the agenda.

The GLC was thus politically vulnerable, the weakest tier in London government, attacked by suburban Conservatives, suspected by businesses, and exposed as harbouring the 'enemy within' to the government at the moment of its populist triumph (victory over Argentina). However, as we have emphasized abolition did not make optimal sense for the government, nor was the decision arrived at rationally as we shall see.

Table 1: Ideological explanations: the implementation of New Right ideology

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<td>Roger Scruton, author of The Meaning of Conservatism, editor of the New Right journal The Salisbury Review, and regular columnist in The Times is the English neoconservativ</td>
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administrative ideology. However, by far, only very minor GLC activities have been either sold off, or contracted out, so the Conservatives privatization policy bonom (Dunleavy, 1986) has not been much in evidence in former GLC activities.

3 Monetarist and crowding out

Conservative ministers have asserted that there were causal relations between increased public sector borrowing and the high level of interest rates leading to the crowding out of private investment (Kergan, 1984), and also between public sector borrowing, interest rates and the level of inflation. Successive Conservative secretaries of state at the DOE have wished to cut local spending and borrowing as part of the government’s monetarist anti-inflation strategy. The government’s decision to abolish elected metropolitan government – controlled by high-spending Labour administrations – and to cap rates have been widely interpreted as by-products of this monetarism. To coin a phrase the abolition of the GLC meant putting an end to ‘Keynesianism in one council’. The government was influenced by crowding-out theory, and Conservative policies towards local government were ideological because they were implemented with no regard for evidence or rigorous economics. The growth of local government employment since the 1960s had been in female, part-time and low-wage employees. As private sector employees were better paid, mostly male and skilled, employment crowding out was unproven. Capital crowding out had not occurred because local government’s share of gross domestic fixed capital formation fell from the late 1960s and only a small fraction of its borrowing had been on the open market. Moreover, crowding out theory contestably supposed that ‘lack of funds’ rather than ‘unwillingness to invest’ was the cause of private sector underperformance (Newton and Kuran, 1983, 30–33). Moreover in 1984 the GLC planned to obtain 40% of the income for its non-ILEA budget from sales, fees, charges and rents (calculated from the GLC Budget 1984, Table 7). When this consideration is added to the GLC’s roles as a large scale consumer of private sector goods and services and provider of infrastructural services, the notion of the GLC as a drain on the private sector is difficult to sustain.

So the monetarist ‘logic’ behind abolition was senseless. Most GLC and MCC employees have been reemployed in local government. The government already had control over its grants to the GLC and the MCCs because the grant was financed through central taxation and borrowing, and it had control over metropolitan borrowing through a system of capital expenditure allocations. And since 1984 it had almost total control over local taxation through the Rates Limitation Act.

Abolition pursued as a by-product of monetarism required a double theoretical bastardization: a false belief that monetarism required control over central government grants, local authority borrowing and local taxation; and another false belief that abolishing metropolitan government was essential to the control of public expenditure, employment, borrowing and taxation.
4 Fiscal constitutionalism

This is integral to some New Right prescriptions for a good polity: the imposition of blanket ceilings on state agencies' expenditures to enforce regular reassessments of priorities upon overzealous politicians. The Proposition 13 movement in California, the demands for 'sunset legislation' and "balanced budgets" illustrate these ideas. The American movement has largely been "bottom-up", promoting local referenda on tax limits, and only recently has moved towards federal level initiatives. Fiscal constitutionalism is motivated by anti-public sector and anti-taxation sentiment. The nearest British ideological equivalent is the ratepayer ideology, which suggests that only the thirsty middle classes pay taxes to wasteful local bureaucracies. Heath's abortive proposal in 1981 to compel local authorities to have a referendum before raising a supplementary rate was in the spirit of 'bottom-up' constitutionalism. However, the main direction of his tenure of office was centralist. The trend which commenced with the Local Government Planning and Local Act of 1980 and the Local Government Finance Act of 1982, which abolished the right of local authorities to raise supplementary rates, was completed by the 1984 Rates Limitation Act, the London Regional Transport Act and the 1985 Local Government Bill which abolished elected metropolitan government and replaced it with flexibly constrained QGAs, QUELGOs and LIEA. And it was the failure of Heathcote and his successors King to abolish rates as the Conservatives had promised to do in 1979 which made the drastic centralist solutions of rate-capping and abolition "thinkable".

Neoliberal and neoconservative ideology make comprehensible the environment in which abolition was decided upon and implemented. The neoconservative and fiscal constitutionalist ideologies match the government's actions because of their compatibility with centralization and the weakening of local representative democracy. The figure of public choice and monetarism was less salient in the government's legislation and presentation of its case. All four components of New Right ideology provided the back-up for a generalized hostility to the public sector of which metropolitan government formed one component, but no compelling justification for abolition or the specific organization actually undertaken.

IV Marxist and neo-Marxist explanations: local socialism, monopoly capital and the dual state?

Labour activists and some academics explained the abolition of the GLC as a different type of ideological conflict: as a mediated class conflict, and/or as a restructuring in line with dual state theory.

1 An offensive against local socialism?

G. Gould had declared that the GLC was an example of 'local socialism' (Baddou and Fudge, 1984).

the theory that the government had to go on the offensive against it presents some problems for Marxist instrumentalist theory. If the local state is an instrument of capital why is there ever any need for an offensive against 'local socialism'? A more revisionist Marxist account would accept that liberal democratic elections are unpredictable and might produce local victories for radical socialist movements. They reason that 'local socialism' is only an illusion because socialism is only feasible after the capture of central power, but the articulation of radical socialist ideas causes discontent amongst the ruling class. Abolition was widely seen on the British Left as part of the Conservative offensive against socialist ideas.6 Radical GLC councillors argued that socialist transformation of local government prefigured the wider transformation of Britain, suggesting that local socialism worried the Conservatives precisely because it might prove contagious. However, the Left exaggerated its own importance. And in any case abolition was not an efficient and effective way of combating local socialism. Rate-capping and expenditure limits were insufficient to bring rebel councillors into line as was proved in 1985-86. Moreover, commentators agree that Labour would have lost majority control of the GLC in the election due in 1985, had abolition not been proposed. The decision to abolish the GLC made 'local socialism' retrospectively popular, far more popular than Labour councillors had managed to make it on their own.

More sophisticated neo-Marxists explain abolition in the context of capitalist crisis. The central government has to cope with the fiscal crisis of the state — at all levels — and the squeeze on profits, by cutting welfare expenditure and downsizing the public expectations about welfare and local government services which were built up during the 'long boom'. Centralization was essential to promote capital accumulation (Saunders, 1984). The GLC's treasuries into economic policy-making, through alternative expenditure and employment policies (the Greater London Enterprise Board, and the Industry and Employment Committee) was uneconomic. It challenged the central government's definition of the costs as well as its prescriptions. Thatcher's assertion 'There Is No Alternative' (TINA) was under assault. The danger of undesirable electoral outcomes was a metropolitan government had to be removed in the interests of capital accumulation.

However, if we glance at Chart 1 (and Table 1) on which it is based, it is easily seen that GLC spending on industry and employment was a minute fraction of its programme budget. So a capitalist sleigherhanger was used to smash a socialist nut.

2 Monopoly capital interests?

In Marxism and the metropolis (Tabb and Sawyer, 1978) it is argued that the

6 Norman Tebbit, the current Chairman of the Conservative Party, argued in March 1984 that the GLC was being abolished to deflect socialism: 'The GLC is typical of this new divisive version of socialism. It must be abolished. Tebbit's remark is best interpreted as an attempt to rally his party's faithful after the Conservatives had discovered themselves in unexpected difficulties.'
interests of monopoly capital led to the creation of metropolitan government in liberal democratic states. Monopoly capital's extensive fixed investments in central cities with declining tax bases led to suburban migration and required growth. The rationalization of the metropolitan area is an example of unacceptable functionalism resulting in public administration. (O'Leary, 1985), but the logic of the needs of monopoly capital suggested a potential change within the region where middle-class middle-class interests in their desire to preserve their local public sector sector: autonomy and large capital interests pushed for planned, rationalized, metropolitan-wide government. (Markson, 1975: 101). The institutional solution to such a cleavage is the creation of larger bodies to act as a lexiopolitically for land use and infrastructural planning in the interests of monopoly capital, with public consultation and class representation left to existing public authorities. The abolition of the GLC and the reorganization of London government prima facie fit this hypothesis well, but no class theorist has demonstrated the mechanisms by which this interaction occurred. It was brought about, and how London after reorganization benefits monopoly capital more than the GLC did.

3. Did abolition confirm dual state theory?

Dual state theory has enjoyed a certain vogue amongst theorists influenced by neo-Marxists (Aldous et al. 1977; Saunders, 1981; Castles and Smith, 1981). Generally the theory applies O'Connor's (1973) threefold classification of state expenditure (social, private, and consumption) and suggests that a division of labour within the liberal democratic state has developed in which the central state has responsibility for legitimation (social consumption), while the local state has responsibility for regulation (local). Saunders argues that his version of the theory provides the basis for falsifiable hypotheses, and that it is testable in an empirical way (Saunders, 1981: 273). Did the abolition of the GLC reflect the growing need to segregate different types of state activity? (Saunders, 1981: 273). Unfortunately the theory and its derived hypotheses are very vague. Table 3 presents a simple summary of the principal functions undertaken by the GLC before 1986, and indicates whether after 1986 these functions were centralized or decentralized.

Table 3 The break-up of GLC functions and dual state categories

<table>
<thead>
<tr>
<th>Function</th>
<th>Transferred to</th>
<th>Centralized?</th>
<th>Category</th>
</tr>
</thead>
<tbody>
<tr>
<td>Education</td>
<td>ILEA</td>
<td>C</td>
<td>SE/SE</td>
</tr>
<tr>
<td>Fire services</td>
<td>QGLEGO</td>
<td>C</td>
<td>SE/SE</td>
</tr>
<tr>
<td>Housing BL, OPP, LRB, U</td>
<td>QGA</td>
<td>C</td>
<td>SE</td>
</tr>
<tr>
<td>Transport (Roads and Bridge)</td>
<td>QGA</td>
<td>C</td>
<td>SE/SE/SE</td>
</tr>
<tr>
<td>Water disposal</td>
<td>QGLEGO, BL, QGA</td>
<td>C</td>
<td>SE/SE/SE</td>
</tr>
<tr>
<td>Flood Control, Drainage</td>
<td>QGA, BL, U</td>
<td>C</td>
<td>SE/SE/SE</td>
</tr>
<tr>
<td>Arts and recreation</td>
<td>QGA, LRB, U</td>
<td>C</td>
<td>SE</td>
</tr>
<tr>
<td>Entertainments</td>
<td>QGA, BL, U</td>
<td>C</td>
<td>SE/SE/SE</td>
</tr>
<tr>
<td>Sports</td>
<td>QGA, BL, U</td>
<td>C</td>
<td>SE</td>
</tr>
<tr>
<td>Parks</td>
<td>BL, CC, U</td>
<td>C</td>
<td>SE</td>
</tr>
<tr>
<td>Museums/Buildings</td>
<td>QGA, ILEA, U</td>
<td>C</td>
<td>SE</td>
</tr>
<tr>
<td>Records</td>
<td>City of London</td>
<td>D</td>
<td>SE</td>
</tr>
<tr>
<td>Architects</td>
<td>QGA, QGLEGO, ILEA, BL</td>
<td>C</td>
<td>SE/SE/SE/SE</td>
</tr>
<tr>
<td>Computer services</td>
<td>LRB</td>
<td>C</td>
<td>SE/SE/SE</td>
</tr>
<tr>
<td>Greater London training</td>
<td>QGA (incl)</td>
<td>C</td>
<td>SE/SE/SE</td>
</tr>
<tr>
<td>Judicial services</td>
<td>BL</td>
<td>C</td>
<td>SE</td>
</tr>
<tr>
<td>Industry &amp; employment</td>
<td>BL, QGLEB, LRB, U</td>
<td>C</td>
<td>SE/SE/SE</td>
</tr>
<tr>
<td>Research &amp; Intelligence</td>
<td>LRB, U</td>
<td>C</td>
<td>SE</td>
</tr>
<tr>
<td>Valutaries</td>
<td>BL, LRB, U</td>
<td>C</td>
<td>SE/SE/SE</td>
</tr>
<tr>
<td>Supplies</td>
<td>ILEA</td>
<td>C</td>
<td>SE/SE/SE</td>
</tr>
</tbody>
</table>

Key: C – Central Government Agency, E.g. Thames Water Authority, QGLEGO – Queen’s External Local Government Organization e.g. Fire Board, QGA – London Boroughs, QGI – County Councils, LRB – London Regional Body, QGC – Central Government, C – Centralization, D – Decentralization. *Some functions were transferred during the process of reorganization, or at different times, resulting in unclear categorization. This data is for illustrative purposes only. The table simply indicates the difficulties in clarifying GLC expenditures in dual state categories. In any case, these operationalized jointly, there would be overwhelming theoretical objections to Saunders's theory. Whether public expenditures benefit capital (social investments) or labor (social consumption) depends largely on who holds state power. For instance, the functions of mass transit policy-making will swing from being primarily social investments to being mainly social consumption depending upon the goals of the political party in power. (Clegg, 1982). There is nothing intrinsic about state activity which allows us to classify its dual state function by a priori inspection. Building's
In conclusion, folly, groupthink and Nixonism

Each of the four explanatory strategies examined (administrative, political, ideological, and class) illuminates the abolition of the GLC. However, none of these modes of explanation, on their own, or combined, provide a wholly satisfactory account.

They fail to account for three distinct features of the abolition of the GLC. First, that abolition was a policy folly rather than a rational decision, second, that it displayed signs of ‘groupthink’, and third, the irreducible personal element involved.

The explanations we have examined have all assumed that whatever the unpredictable outcomes may have been, the government made an optimal decision given its preferences. The thrust of this essay has been to suggest that the government embarked upon a major initiative as an unintended and ill-conceived byproduct of its other policies. However, this does not mean that abolition was an example of Wilks-Adams’s ‘catastrophe of policy at its own cause’ which still assumes some form of process rationality. The end of the GLC is better illuminated by social psychological insights into decision-making.

1 Abolition as a policy folly?

A policy folly is a policy pursued contrary to the self-interest of the policy-makers. To qualify as a genuine folly it must be perceived as counterproductive by at least some of its makers at its inception, feasible alternative policies must be available, and ‘no reason . . . personality . . . the policy should be that of a group’ (Tuchman, 1985, 4). On these criteria, abolition was a folly. It was regarded as counterproductive by Heath and Kinnock Cabinet members, and Jenkin’s predecessors at the DFE and by the large numbers of Conservative politicians who voted for the policy with gross misgivings. Feasible alternatives were available. Rate-capping, expenditure limits, and a propaganda offensive to defeat the Livingstone administration in the GLC elections due in 1985 were feasible, and capable of achieving the government’s objectives—granting that it had well-defined objectives.

Abolition was defended by the Cabinet, even by Walker and Joseph, ministers who had established the GLC and the NCCs in previous Conservative governments. That abolition was against the self-interest of the policy-makers was prescriptively plain, and retrospectively is being confirmed. The electoral damage done to the Conservatives fed through into the London borough elections of May 1986. The time devoted to the GLC and its implementation represented high opportunity—costs for a warring government. The opposition parties were always likely to capture the joint board, and have done so. The implementation of abolition will not be complete before the next general election, and should the Conservatives lose, rapid

reconvening of the GLC will not be difficult. Revenge reorganizations against Conservative local government bastions are very likely. Abolition also succeeded in making local socialism retrospectively popular. And the GLC was never as popular as when it was on its deathbed. Finally, abolition cost the execution of his job. Jenkin was sacked by Thatcher in the first ministerial shuffle after he had dutifully carried through the policies of the Prime Minister and the Cabinet.

2 Abolition as groupthink?

The decision to abolish the GLC in fact has the hallmarks of what Janis and his associates have termed ‘groupthink’ (Janis and Mann, 1977; Janis, 1982). The circle around Thatcher when the manifesto was drawn up were ideologically cohesive. Thatcher had never been an impartial leader of her colleagues, and her government has consistently refused methodical procedures in policy formulation. After the decision to abolish was made, and through to the summer of 1984, the government displayed the classical symptoms of groupthink. First, they overestimated themselves, being intoxicated by electoral victory and belief in their inherent righteousness. The illusion of invulnerability was pervasive in 1983–85. Second, the Cabinet decision-makers concerned had closed minds, engaged in collective rationalizations and uncritically stereotyped all oppositions. Third, strong pressures towards uniformity were present in the Cabinet. Those who were primarily skeptical about abolition were silent when it mattered, and engaged in collective self-censorship. These groupthink symptoms help explain the evidence for defective decision-making which this essay has highlighted.

What most confirms the folly and groupthink sketches is the inside story on how the decision to abolish was actually made. While on Cabinet subcommittee agendas as a result of the Treasury-DOM interactions discussed earlier, it emerged on the Prime Minister’s agenda because of the need to disguise the failure of the first Thatcher government promise to abolish rates (Forrester et al., 1985, 64–61). Why abolishing metropolitan government was considered a good way of disguising this failure has never become clear. The Cabinet sub-committee, Misc. 79, established in the summer of 1982 to reform local taxation, concluded that nothing could be done given Thatcher’s earlier rejection of a local income tax. Instead they offered abolition as a sop to the Prime Minister. The ministers concerned believed that the complexity of abolition would prevent the government from carrying it through. However, discredited with this committee, Thatcher set up another, chaired it herself, accepted abolition and a scheme for rate-capping as last-minute additions to the manifesto. Image and presentation problems regarding a previous promise had created another which had not been seriously explored. The decision was symbolically motivated, an item for an election called in a hurry, and was not even electorally rational as it played no part in returning the government to power. Thatcher’s memoirs subsequently atomized Trotsky’s portrait of the generals at the Battle of Borezino, giving orders on the basis of false information, in the grasp of events which they deluded themselves they were controlling. ‘Trotskyian decision-making’
has yet to become a standard academic category but when it does the decision to abolish the GLC and its implementation will be placed firmly under it.

3 Nietzschean Felix?
The standard academic images of Thatchism, left and right discount personality and policy-making and style, play upon interests, ideology or policy consistency. To the Marxian Left, Thatchism represented a new hegemonic strategy for restructuring and modernizing British capitalism (Hall and Jacques, 1983). To the liberal Right, Thatchism represented a revival of traditional conservatism, freeing central authority and repudiating pluralism and corporatism (Bulpitt, 1983). Neither image helps explain GLC abolition, and omits the irreducible stylistic aspect of Thatcher’s policy-making. Nietzschean policy-making is heroic, designed to transform values. Thatcher’s Cabinet’s refusal to back benefits analysts on GLC abolition, and its willingness to send ministers out to defend the indefensible were fascinating folly. Features of the Thatcher approach are considered essential even in defence of the indefensible, conventional, rationalistic approaches to decision-making, tedious incrementalism, are regarded as excuses for doing nothing. A dramatic political style is intended to rectify Britain. The price of such a style is repeated unintended and unforeseeable outcomes for its supporters. The claim of abolition, the difficulties in matching outcomes to rational intentions and interests in the five explanatory strategies expounded in Sections I–IV, the folly and the gothick, are best explained as the products of Nietzschean policy-making.

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