



# DEVOLUTION IN PRACTICE 2006

PUBLIC POLICY DIFFERENCES WITHIN THE UK

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## **executive summary**

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# Executive Summary

The creation of devolved institutions is not just a constitutional reform. Devolution has profound implications for public services within the UK, yet there has been comparatively little attention paid to the consequences of differentiated policy-making. The first volume of *Devolution in Practice* remains one of the few attempts to systematically examine public-policy divergences.

Since the last edition of *Devolution in Practice* (2002), there have been elections in the devolved territories and for the House of Commons, devolution to Northern Ireland has again been suspended and Wales has moved from a Labour-Liberal Democrat coalition to a situation of minority-party rule. Perhaps, more importantly, a further three years of life in a devolved United Kingdom have passed. This has given time for change to bed down and for the devolved administrations to make some headway with their planned programmes of government. As we discuss further in chapter 3, it takes a number of years for policy changes to filter through into policy outputs and outcomes. However, six years into devolution, we are starting to see some interesting shifts in policy and a complex relationship between forces for divergence and convergence within the UK.

This overview chapter will not attempt to summarise the contributions made to this publication, but we do aim to draw out some of the key issues and themes common to each policy area. We outline experience of both divergence and convergence, before discussing the tricky issues of how to balance equity and diversity and how to achieve subsidiarity and solidarity (Morgan 2002).

## Forces for divergence

The headline policy divergences of devolution are well-known: free long-term care and no upfront tuition fees in Scotland; abolition of school league tables in Wales; free bus travel for the elderly in Northern Ireland; and the congestion charge in London. However, these are only the tip of the iceberg, and the contributors to this publication explore the real impact of devolution in practice.

### Policy choice within a permissive settlement

Perhaps the most influential force for divergence is the fact that there are now new centres of political power making public-policy decisions within the UK. A number of our contributors have made the point that the devolution settlement is highly permissive of divergence, for example Jeffery in chapter 2, Greer in chapter 7 and ourselves in chapter 3. The UK settlement has no mechanisms to provide for common standards or a social minimum, and the 'block grant', through which the devolved administrations are funded, provides for total flexibility in how the funds are used. As Jeffery points out, the lack of

robust institutions for co-ordination are also likely, at some point in the future, to fuel divergence and intergovernmental rivalries.

As we discuss in chapter 3, the 'block grant' provides the devolved administrations with flexibility to allocate funds in whichever manner they think fit. Our conclusion, that increases in expenditure in health and education have been larger in England than in Scotland, Wales and Northern Ireland since the devolved administrations were established, is a significant divergence in public policy. It would suggest that the devolved administrations are responding to different policy priorities, which is likely, in time, to lead to differing outcomes.

There are also significant divergences in policy choices between the different administrations. As Greer notes in chapter 7, the health policy of the Welsh Assembly Government has been significantly different to its English and Scottish counterparts, with a much greater emphasis on public health and promoting healthier communities, rather than tackling illness. Greer also argues that there is less faith in market forces (or quasi-market forces) in healthcare in the Scottish Executive or Welsh Assembly Government than in Whitehall.

In chapter 4, Raffe concludes that, in education policy, Scotland and Wales emphasise the links between schools and communities, and the need for common content and standards of provision across all schools. In England and Northern Ireland, policy places greater emphasis on choice, institutional diversity and collaboration. In the field of housing, Smith, in chapter 8, discusses the different approaches between the devolved administrations and Whitehall, with England seeking to find a balance between need and choice, but Scotland and Wales more explicitly prioritising need. Wales has expanded the categories of those perceived to be at risk, to include care-leavers, ex-offenders and those leaving the armed forces; while Scotland is committed to abolishing the notion of priority need, so all homeless persons have the right to a home.

Furthermore, devolution has enabled the devolved administrations to address long-standing concerns that it was difficult to find time for at Westminster. As Wincott discusses in chapter 6, the distinctive Welsh approach to early-childhood education and care policies, and the move towards a rights-based approach, is highly influenced by long-standing concerns about abuse in care homes, which precede devolution.

A final way in which divergence has occurred, is through policy innovation within England, rather than in the devolved territories. For example, Raffe argues in chapter 4 that, while there are divergent attitudes to comprehensive education in the UK, this reflects a refusal by Scotland and Wales to follow English policy direction, rather than positive changes on their part. Far from being 'laboratories of democracy', the devolved administrations have viewed much of the policy experimentation in England with antipathy.

#### Political parties and policy communities

These divergences beg the question as to how new policies and approaches are developed in the devolved territories. The fact that devolution creates new political spheres and new centres of power is a force for divergence, as there are new opportunities for policy communities and for political parties in the

devolved territories. A number of contributors point out that the pattern of party politics in the devolved territories is different. In particular, Jeffery (chapter 2) and Greer (chapter 7) note that, in the devolved territories, the major political opponents to the administrations are on the left of the political spectrum. They argue that there is a pull to the left of centre in Scotland and Wales as a result of Plaid Cymru, the Scottish Nationalists and the Liberal Democrats. However, in England, the major challenge to the Labour Government comes from the Conservative Party on the centre-right.

Furthermore, policy communities have been able to be rather more influential in some areas in Scotland and Wales. While this is, in part, a result of a more inclusive approach to policy-making, it is also a reflection of weaker capacity in the devolved administrations, leading them to rely on external input. For example, Wincott, in chapter 6, discusses the highly influential input of the early-childhood education and care (ECEC) community into policy-making in Wales. He questions whether the more open policy-making process was the result of the underdeveloped nature of the ECEC policy in Wales at the time of devolution, and a lack of entrenched interests. Greer, in chapter 7, also discusses the influence of policy communities, and suggests that the divergent health policies have been, in part, the result of the well established and highly influential policy communities in existence.

#### Divergent rhetoric

The ability to forge a more left-wing agenda than was acceptable to (middle) England was, for many, an attractive argument in favour of devolution. But it is a claim predicated on an assumption that the people of Wales and Scotland have a more progressive, more left-wing set of values than those in England. However, as Jeffery discusses in chapter 2, the best available evidence suggests that Wales and Scotland have a broadly similar set of values to those in England.

However, this does not mean that the politicians in the devolved administrations are not different to those in Whitehall, and this fact is best exemplified by Rhodri Morgan's statement that he wanted to create 'clear red water' between the Welsh Assembly Government and Whitehall. Lohde, in chapter 11, argues that the debates around poverty in Scotland and Wales have placed a stronger emphasis on social and economic equalities; whereas the debates in England have focused more on extending equality of opportunity, with less concern for overall inequalities; and in Northern Ireland, debates have taken a rights-based approach. However, she also advises caution as to the extent to which rhetorical differences are reflected in actual policy action. She concludes, in relation to child poverty, that every part of the UK has made tackling poverty and social disadvantage a priority, and the tools they use to do so are broadly similar, with the differences, perhaps, to be found more in emphasis.

## Forces for convergence

Despite assumptions to the contrary, divergent policies are not an inevitable

consequence of devolution and there are significant countervailing forces for convergence in policy.

#### Public opinion, values and policy preferences

As we noted above, there is no evidence that the people of the devolved territories have a different set of political values to those in England. While the complexion of politics differs in different parts of the UK, Jeffery's analysis of attitudinal surveys concludes that the values that the general public hold across the UK are broadly consistent. He concludes that, if Scotland is to be characterised as a social democratic country, then England must also be.

Furthermore, not only are people's values broadly similar, their policy expectations are, too. In chapter 3, we argue that public opinion is one of the most important mechanisms for limiting policy divergence and preserving some degree of common standards across the UK. As an example, we use the issue of health waiting times, and the perceived policy failure of the Welsh Assembly Government, compounded by perceptions of policy success in England. This led to demands for policy to be re-examined, for the disparity in services with England to be addressed and for lessons to be learned from England.

#### The common market

The combination of the interdependencies of the economies within the UK, the largely common tax regime and the (in part) UK-wide labour market is another powerful force for convergence (Keating 2002). Raffe illustrates the importance of this point when he notes that the integrated nature of labour markets within the UK has proved a powerful force for convergence of qualifications. The desire of the Welsh Assembly Government to create a 'Welsh Bac' was constrained by the fact that, in the event that students wished to seek work in England (a highly possible outcome), the qualification needed to be understandable to English employers. Furthermore, the substantial flow of staff and students between institutions across the UK creates pressure for common, or at least compatible, qualifications.

#### Dominant narratives

While the rhetoric used by the devolved administrations may differ in emphasis in some areas, Adams and Robinson (chapter 9) note that, on occasion, there are certain trends in intellectual and policy thinking that are common across the whole of the UK, and, indeed, other developed nations. For example, they point to key narratives around globalisation and the 'knowledge economy' that, while flawed, have influenced thinking about economic development in all parts of the UK. Their argument is not that policy-makers consciously follow policy initiatives in other territories, but that, within a broad overarching framework, there is a convergent evolution of policy towards a similar end point.

## The lack of intergovernmental structures

One of the key issues that troubles constitutional experts and academics is the lack of a robust framework of intergovernmental relations within the UK, as Jeffery concludes in chapter 2. At some stage in the future, the political complexion of the United Kingdom will change, and the Labour Party will not form administrations in Scotland, Wales and Whitehall. The challenge of managing devolution when that happens should not be underestimated, nor should the pressure that a tight fiscal climate will impose.

However, until that time, the current system does provide some pressure for convergence. Jeffery discusses, in some depth, the role of informal links between officials, the continued existence of territorial Secretaries of State in Westminster, overlaps of competence, mechanisms like the Sewel convention, the role of the European Union and policy spillovers from England, all of which act as forces for convergence.

## Devolution, divergence and social justice

One of the most important debates within the devolution literature has been the need to reconcile liberty with equity, subsidiarity with solidarity. This has been a particular problem for centre-left thinkers, because of the premium placed on equity as a core value. Some elements of the left in British politics have always worried that creating opportunities for policy divergence would lead to different standards of provision of public services, and undermine a sense of UK solidarity, equity and the welfare state (see, for example, Walker 2002). As Jeffery notes in chapter 2, 'postcode lotteries' are potentially damaging to a sense of common British citizenship. It is for this reason that Bevan, in 1944, famously said 'there is no Welsh problem', expressing the disquiet on the left that territorial concerns could undermine traditional class solidarities on socio-economic grounds.

There is a strong contrary argument that the centralised provision of services does not lead to uniformly high standards. The centralised provision of service results in rigidity and inflexibility, making services poor at responding to changing circumstances and limiting joining up of services at the local level (Paxton and Gamble 2005). Invariably it is the worst-off in society who suffer from these failures.

There is good reason for those concerned with social justice to see devolution as an opportunity. Political devolution can create space for policy experimentation, innovation and learning. New and successful ideas can be adopted, for example the Welsh introduction of a Children's Commissioner has been taken up in Northern Ireland, Scotland and now England (see Wincott, chapter 6), and it is in this sense that the devolved territories have been referred to as 'policy laboratories'. Policy-learning between the administrations can lead to a virtuous circle, pushing up overall standards. Such policy-learning can potentially help combat worries over inequalities, as any inequalities that result from policy divergence can prove to be merely a temporary aberration in the general drive towards higher standards all round.

To some, it is surprising that the UK constitution has no agreed, negotiated set of common standards or floor targets, as is found in Spain, for example. It also surprises some that the UK does not make use of concurrent legislation in the way that a more formally federalised system would. However, given the *ad hoc* and incremental manner in which the uncodified UK constitution evolves, such omissions are very much par for the course. It is, of course, still technically possible to set minimum standards within the UK through negotiations between Whitehall and the devolved administrations, or through the system of concordats (Paxton and Gamble 2005), although neither would be legally binding.

Evidence from other countries suggests that, even where there are no formal minimum standards set by the centre, in practice there tend to be only small variations around common national standards (Banting 2005). More fundamentally, the political challenges in agreeing such negotiations are enormous and likely doomed to failure, not least because the devolved administrations would see this as an attempt to reopen the devolution settlement decided in the referendums of 1997 and 1998. Nevertheless, Adams and Robinson, in chapter 9, argue that central government still has a quasi-federal role, and that it has been slow to adapt to this new role. Even without negotiated minimum standards, they argue that central government needs to rethink its attitude to devolution, to ensure that there are no unacceptable inequalities within the UK and to use the concept of territorial justice to ensure some degree of national solidarity.

As Jeffery notes in chapter 2, people are, on balance, opposed to the idea of territorial policy variation but, simultaneously, they have a desire for greater devolution, driven, in a large part, by a desire to reclaim ownership of politics. Such inconsistencies are the right of the electorate, but it does provide for a difficult balancing act for politicians and policy-makers in all corners of the UK. The question of how to secure 'equality in diversity' will continue to need to be addressed by the UK Government, by the devolved administrations and by all those who wish to maintain the unity of the UK.

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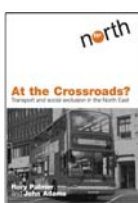


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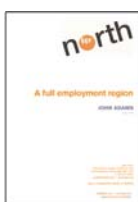


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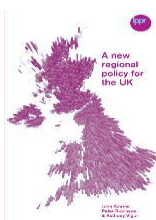


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