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The big shrink [1]

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Credibly or not, the UK?s three main political parties are committed to cutting government spending over the life of the next parliament. The Conservatives go a bit further by promising to reduce the role of the state in general while Labour and the Liberal Democrats only want to regroup before resuming the government?s dominant role.

In the midst of the election campaign, there?s very little detail as to what spending will actually be cut, beyond some big-picture accounting sleights-of-hand. For the fact is, no one in the UK?s governing establishment - the politicians, the bureaucrats, the quangos, the chattering classes ? has any experience with actually cutting spending. It just hasn?t happened for decades.

A fascinating article in a recent [3] *The Wall Street Journal*recounts the travails of Colorado Springs to reduce spending by 10% in order to eliminate a $28 million budget deficit. A third of street lights have been turned off, taxi drivers have been recruited as a second set of eyes for the police, volunteers are emptying garbage cans in city parks and so on.

Some measures are working, some are not, many may not be applicable to the UK. What?s instructive, though, is how the social and political background for Colorado Springs permits such creative experimentation. America has a long tradition of devolved powers that positively encourages states and municipalities to experiment. A very close correlation between taxation and services heightens citizens? awareness and engagement.

By contrast, the UK is strait-jacketed by ever greater top-down management, starting with the European Union, through Westminster and out to unelected quangos. Margaret Thatcher emasculated local councils while Labour now mandates uniform delivery of all manner of services. There is now no greater crime in the eyes of the ruling elite than the consequences of the dreaded ?post-code lottery?.

Outside the cabinet and Whitehall, initiative and creativity are simply not welcome. Local councils and regional bodies have long lost the necessary managerial talent to encourage and foster new ideas. The real risk from the next government will be micro-management of spending cuts as a natural sequence to micro-managing spending increases and probably with the same unfortunate results.

For the Tories, this well-rooted bias towards centralisation is a double challenge. If they win the election with a working majority, not only will they be battling vested interests seeking to preserve their privileges, but they?ll be up against a culture that long ago abdicated local initiative to those who know better in Westminster.

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