



A balanced approach to decentralisation

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Devolving decision-making power to tackle the welfare impacts of migration requires a careful calibration of powers between central and local authorities, something the Conservatives have failed to grasp when vowing to turn Britain's pyramid of power on its head

In government New Labour has belatedly recognised three bitter truths about immigration. First, whatever the positive economic gains of migration, the influx of migrant workers places pressures on public services including hospitals, schools and housing, which need to be actively managed. Second, these social impacts vary considerably from one part of the country to another, depending on the social profiles of the migrants involved and the specific area's economic and institutional setting. Third, the social impacts of migration cannot be properly managed by central government alone; local authorities need to take on a bigger role.

Government has responded by introducing a package of reforms aimed at engaging the creative energy of local authorities for the effective delivery of public services. Launched in 2006, with the government's 'Strong and Prosperous Communities' white paper, these reforms are today being driven by Secretary of State for Communities and Local Government John Denham, whose "Total Place" initiative aims to increase the powers of local government to scrutinise and influence public spending.

From the perspective of managing the social impacts of migration, the most relevant example of these reforms is the Migration Impacts Fund rolled out earlier this year. Controversially financed through a new levy imposed on economic migrants and students coming to the UK from outside the EU, the new Fund is designed to provide financial support for "innovative solutions" to migration-related pressures identified by local authorities.

It remains to be seen whether this £70 million Fund, and the other measures aimed at increasing the voice of local communities, will suffice. However, one of the most interesting side-effects of

the government's new commitment to decentralisation has been the outbreak of an inter-party bidding war over strengthening local government. As government and opposition parties compete to outdo each other in pledging to devolve decision-making power away from Westminster and Whitehall, the press is awash with articles about decentralisation, what it means, how it should be achieved and which party can do it best.

So far, the Conservatives seem to be winning the argument. Indeed, through the words of Tory strategists, the debate about decentralisation – for so long swept under a carpet of technicalities – is slowly but surely metamorphosing into an ideological battle between “true believers” in localism, on the one hand, i.e. those who believe that spreading prosperity can only be achieved by shrinking the state and devolving power to individuals and civil society; and “localist imposters”, on the other, i.e. people who claim to support decentralisation but in reality continue to believe that the goals of redistribution and equalisation can only be achieved through a centralised system. Needless to say, conservatives are placed in the former category; social democrats in the latter.

This emerging dichotomy not only grossly oversimplifies the ideological differences between Conservatives and Labour on the question of localism. It also misconstrues what decentralisation is all about. Decentralisation does not spell the end of the state; it does not even usher in the return of the “small state”. Instead, a decentralised political system properly configured will bring into being a new kind of state, one which rests on the principle of mutuality between central and local authorities and is consequently more sensitive to local conditions and needs.

This is one of the central insights of Rinus Penninx, Professor of Ethnic Studies at the University of Amsterdam, in a paper recently published by Policy Network on the role of decentralisation in helping local authorities manage migration-related pressures. According to Penninx, decentralisation must affect three inter-related aspects of integration policies: their content, their instruments, and their evaluation. Each of these aspects involves the transfer of competences away from the centre. However if decentralisation is to result in more effective integration rather than a “race to the bottom” where service provision is rolled back to the detriment of the most vulnerable, the transfer of competences must be balanced with a robust system of checks and balances situated at the centre.

The risks of one-sided decentralisation for managing the social impacts of migration are self-evident. In recent months, numerous local councils have taken advantage of the opportunities provided under the new Migration Impacts Fund to adjust the way schools, hospitals and other services function in their areas to facilitate migrant integration. However, what of the councils who choose not to prioritize immigrant integration? As Penninx warns, however much one decentralises the content and instruments of integration, the general frameworks and guidelines must be established and monitored by central government. “This is the only way of ensuring that cities which are not inclined to adopt special measures to facilitate migrant integration will do so.”

David Cameron's promise to turn “Britain's pyramid of power on its head” must therefore be viewed with caution. The latest Conservative green paper on localism says very little on the

precise calibration of powers between central and local authorities. By focusing instead on “people power”, where individuals and communities have a greater say over the issues that affect their lives through referenda, the conservative blueprint for decentralisation is silent on the most important question. The point is not to set up direct elections for everything from police commissioner to school governor, but rather to rethink our political institutions in ways that allow those with local knowledge to provide local answers.

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