Bad reviews? Lessons from the Beecroft report



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The furore over the Beecroft review offers an object lesson in how not to do a government review.

'Celebrity reviews' got a bad name in Whitehall under Gordon Brown. The accepted *modus operandi* was for a big name to be hauled in to do a review under the close supervision of the Treasury – and come up with recommendations in line with the thinking of the Chancellor's key advisers and provide cover for decisions already in the making. Too often, departments were involved late and presented with a fait accompli and there was little attempt to use a review to open up public debate.

There were exceptions. The Turner commission on pension reform which we looked at in our policy success series was a model of how to use an independent review to redefine an issue and develop a well worked evidence base – and then use that to develop a new consensus. The downside for an impatient government – it took time.

Beecroft has achieved none of this. The report, delivered in October but finally published this week does nothing to persuade people who might be sceptical of its proposal. There is no evidence, or modelling of potential effects.

Its process was closed. The commissioning process was unclear. There was a single reviewer representing only one side of the argument. Unlike the Brown reviews, it lacked an effective champion within government –

indeed the Business Secretary has gone out of his way to dismiss it. And *The Telegraph* has revealed that No.10 excised some of the more controversial proposals before official publication. So far, the main effect of Beecroft has been to entrench pre-existing views.

The issue it addressed is an important one – and one worthy of a serious review. Employment law means striking a balance between the interests of those who have jobs and those who would like them and between the interests of employers and employees. Some countries – like Spain – have clearly got the balance wrong and that is showing up in horrendous unemployment figures. Others – like Germany – went through a long process to build consensus on a new set of labour laws and people attribute the reforms that emerged from the Hartz Commission with Germany's new competitiveness. We may or may not have the balance right in an economy characterised, as Beecroft says, by a bigger unemployment problem that we had when many of the laws were conceived.

But the government needs to learn an important process lesson from Beecroft. There is a world of difference between a good review and a bad review. A good review opens issues up, engages people and confronts the real choices policy makers face — rather than hide them. It uses rigorous evidence to expose issues — and to build a new consensus if rebalancing is necessary. And a public review allows the government to distance and promote public discussion.

After our policy reunion on Turner we set out <u>five lessons governments</u> should learn for a successful review. Key among them was the need to engage stakeholders and build a robust evidence base. That was a characteristic too of the 15 strong Hartz commission – which had businessmen, academics, politicians, trade unionists (and one woman!). We also suggested that reviews needed to be led by a technocrat who could also manage the politics – but that the role of politicians – who have to deliver the final outcome – is critical too. They also needed time to build consensus.

The government says it is interested in opening up policy making. Done well, that can lead to policy success. Done badly it can backfire spectacularly. The government should learn lessons from Turner, Hartz – and Beecroft.