

THINK PIECE

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# **Believing in people's ability to transform the state: Learning from Mary Follett**

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October2017

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## ABOUT THIS PUBLICATION

The way we think about and relate to the state has altered little in over a 100 year. It is a machine to be controlled, largely from London, so we can do good things to people. Almost 100 years ago the radical feminist and management theorist Mary Parker Follett published her seminal text *The New State*, in which she recast how we think about the state and power – developing the conception of power *with*, not power *over*. Here, Su Maddock explores the legacy of Follett's thinking and its application to the modern cities and devolution agenda. The piece helps us think about and understand how the state and public services can be refashioned for the 21<sup>st</sup> Century.

We are keen to keep exploring these key issues and would welcome any comments or ideas about how.

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Published October 2017 by Compass  
By Su Maddock

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Compass is a home for those who want to build and be a part of a Good Society; one where equality, sustainability and democracy are not mere aspirations, but a living reality.

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Mary Follett published the *New State* [1918] at a time when the American constitution was being reformed and senators were asking what the role of government was in an age of Big Business<sup>1</sup> a question, post-Brexit which is just as relevant today. Mary was a social activist working with community organizations in Boston; committed to decentralization and local democracy she wrote two significant books the *New State* and in *Creative Experience*. She was an innovator and not afraid of difference and diversity which she thought to be the driving force of democracy. President Theodore Roosevelt respected her and her work, but as a woman without a vote, she knew that the political elite under-valued women as less rational and less competent.

Although little known outside the USA Follett was a woman of many talents, she defined and stimulated participative democracy, was the founder of business schools and management education. She was also a thought leader in leadership, transformation and change relevant a century later when globalization and neo-liberal economics has led to escalating internal inequalities and disaffection, and a desperate need for a reframing of democracy, the economy and the state machinery. Social democracies are increasingly split between voters who value good governance and those who think governments are corrupt, expensive and remote, and to a US presidency that wants to tear up all post 1945 international agreements; we are again questioning the role of the economic model and role of government in business and society and one of the biggest challenges for politicians is to reconnect with the disenfranchised and to tame international corporations.

Britain is not immune from growing disaffection with government: the regions have been affected by dramatic industrial change and working people have endured austerity, public-sector cuts, flattened- pay levels since 2008. On June 23rd 2016, 52% the British public voted to leave the European Union largely because Representative democracy is not working and 20% of the population feel excluded with little hope or opportunity. A recent Hansard Report [HRMC, UK 2017] showed that only 32% of voters are satisfied with government and an increasingly number choose not to vote. The

referendum revealed a deep divide between urban young, professional remain voters and those in the north and rural areas who voted to leave. Remainers despaired at the costs and complexity of leaving and accused those who voted 'No' as racist; over time this view has softened in recognition that most were venting their angry on a complacent government responsible for austerity.

### **Follett's perspective on Democracy**

Follett witnessed a similar crisis in representative democracy in the USA in the 1900s, and the effects of poverty and she thought politics should be less influenced by political parties and the lobbying system and more relevant to people's everyday life. She believed that people needed to be more involved and be a part of social change rather than mere 'voting fodder'. She developed the concept of participative democracy as an alternative to representative democracy whilst working as a community organizer in Boston and began the *New State* as a chronicle of the work of community associations. She later realized that these accounts provided the basis of an alternative model of democracy (Follett M. P., 1918, pp. 199-200) and that participatory politics offered a better path to democracy precisely because it was anchored in communities and local institutions (Mansbridge, 1998). As she said:

*"Representative Democracy has failed because it was not a method by which men could govern themselves and that democracy should be genuine union of individuals.... We must leap from the region of theory ... to a practical scheme of living democracy"* [Follett the *New State* 1918].

She had faith in people and their capacity to organize but observed that too many were afraid to participate because they lacked confidence and didn't believe that they had the right to speak. She reflected that attitudes such as 'know your place' were used to intimidate those excluded from the democratic process and she was extremely critical of nationalistic leaders who promised much but delivered little and attracted fans rather than participants in democracy. She was not a populist and equally damning of some of her contemporaries' negative stereotypes of

working people and research on crowd behavior which provide ammunition for those resisting further suffrage [Straight Papers 1922].

Follett was empathetic to the disenfranchised but not naive about the difficulties involved in participative democracy which she recognized was a slow process demanding leadership, perseverance and negotiation. She was extremely unusual in appreciating diversity rather than being fearful of it with a starting position that “when men come together the first thing that is obvious is their differences”. Unlike her colleagues and politicians who wanted to ignore people’s differences she argued that you cannot eradicate difference but you can value its energy and strength in driving change. “You must face life as it is and understand that diversity is its essential feature.....and that. Fear of difference is dread of life itself” [Follett 1924 pp 300]. She observed that the most creative groups were diverse and that diversity was the driving force for democracy rather than tribal loyalties.

She wanted to be a scholar of everyday life and chose social activism over academia, frustrated by the separation between academic subjects and by philosophies that reduced working people to unthinking cogs in the system. She was aware of the distance between academic thinking and real life and wrote that “psychology looks at us as we are..... not to that which we may become” [1924], concluding that a transformative philosophy and positive psychology were needed to provide hope and personal agency. Astutely she recognized that participation itself was motivating and that her principles of participative democracy were just as applicable to the work place; and that when employees were not tightly controlled they were happier, cooperative and more productive. In *Creative Experience* [1924] she argued that hierarchical, highly structured and controlling systems undermined creativity and collaboration and that rational, linear change strategies were too simplistic to drive change within communities or organizations. She was probably the first to argue for a people-centric approach to change, and although not known as an innovator in Britain, in the USA she has a following among those who value thought

leadership in political reform, management and business education.

The UK government remains highly centralized, consequently public sector reform has largely been conducted through national restructurings and government, performance management. In spite of evidence that public service innovation requires staff to collaborate, connect and drive cultural change policy makers, politicians and business schools in Britain retain a preference for controlling systems rather than working with people [Maddock 2002]. It was not until the 1980s that innovative women managers started to campaign for a people-based approach to organizational change within the public sector [Maddock 1999]. Since, 2010, this has been made worse by government demands for efficiencies and marketization further undermining inter-agency working and public service innovation.

### **Transforming Cities and Places**

It is increasingly cities that are leading the way in public sector reform, redesigning public services, transforming corporate systems and developing place-based strategies. Robin Hambleton has tracked the innovative cities Freiburg, Malmo, Auckland and Portland and well as cities in the UK. He stresses the importance of place-based leadership as distinctive from leadership of a particular business or public body, and writes that place-shapers are more likely to bring stakeholders from business, public and civic organizations together in the interests of ‘place’. Local partnerships involve all stakeholders in the transformation because they share a commitment to a place, unlike those with little local connection [Hambleton, 2015 pp.241]. The most innovative are involving communities in local transformation. For instance, two radical women mayors in Spain, Ada Colau, leader of the housing movement in Barcelona and Manuela Carmena, ex-judge in Madrid, are transforming relationships between citizens and local government, revitalizing local democracy and transforming local public administration.

In Britain the larger cities, disadvantaged by government funding, have formed new combined authorities in Liverpool, Greater

Manchester, Teesside and the West Midlands around Birmingham with developed shared strategies for transport, housing, health, the economy and skills with some limited devolved funding, after agreeing to electing mayors. The majority tend to be led by Labour leaders who are tackling low-pay, inequalities, housing shortages and transforming services as well as investing in the physical and digital infrastructure for business development. They are also increasingly committed to greater investment in the social infrastructure and more inclusive local economies. They have learnt partnership skills by working with business, third sector and anchor organizations such as universities, the arts (CLES 2016) and are together developing place-based strategies that support environments conducive to business and public innovation. Some national politicians such as Andy Burnham and Sadiq Khan have chosen to be city mayors rather than government ministers, recognizing that cities offer the possibility of a transformation of services and platform for economic and political reform.

The role of universities in local renewal is evident in most large and regional cities such as Bristol, York, Plymouth and Exeter where expansion has been critical to kick-starting, enterprise and the local economy. For instance in Plymouth the fishing industry brings £24ml into the economy whereas the university with its international reputation in marine research, brings in £46ml. Nottingham universities in partnership with the council has become a system leader in low-emissions (Mark Daly 2017) and in the integration of sustainable systems for energy and waste (Cook OU & Hannon UCL)). Similarly, York has become a hub for digital, social innovation, and Bristol has a commitment to inclusive economics and investment in the social infrastructure, informed by its Women's Commission.

Place-based innovation is dependent on competent, strategic governance capable of playing an integrative role over both systemic and service innovation and guiding corporate transformation. Digital and technological innovation are essential but not a panacea<sup>2</sup>. The Smart City agenda was too narrowly focused on digitalization as the only driver of system integration (utilities etc.), whilst ignoring wider strategic integration and

developing people's capabilities and engagement in transformation. New technologies are market driven and need to be harnessed by strategic governance and determined by politically agreed place-based strategies.

### **Communities relationships: co-design rather than consultation**

Government and public sector relationships with communities continue to be authoritarian and the public are alienated by public consultations where they have no power to change planning schedules or masterplans. There is an increasing awareness among politicians that they need to involve the public earlier in redevelopment and service co-design. Too often service co-design experiments have been service led and not integrated into wider place-based strategies and therefore vulnerable. Wigan is one authority attempting to radically change the relationship between citizen and council though a mainstream transformation process led by leader and chief executive. The council had to fill a £16ml funding gap but instead of cutting services they decided to adopt a strength-based approach that involved an explicit new contract between citizens and the council called the Deal involving a dramatic change in staff attitudes to local people. Chief executive Donna Hall said:

*"We started in adult services because social care costs were so high and services poor; we thought about how we could tackle loneliness, improve care and reconnect people to their families and own communities and utilize all the assets within communities"*<sup>3</sup>

Staff were trained in ethnographics, appreciative care and encouraged to listen to people's experience and develop connections between people. A common complaint from residents in care homes is that no-one talks to them. Those needing care and support are stimulated by door-step call, connected to third sector services and reunited with families and friends. Social workers have become brokers of connectivity, doing less paper-work and talking to people, Nesta's Creative Council Programme helped identify relevant voluntary organizations and Wigan invested £9ml to fund new social enterprise to fill gaps. CLES

reports<sup>4</sup> that in Wigan March 2015 and 2016 there had been a reduction in looked-after children by 13% and in those needing formal adult care through community connecting projects.

Those directors not in tune with the radical change were replaced and new employees appointed on the basis of their attitudes towards people and care. In the past similar innovation would have been stymied by a lack of corporate leadership and little support from Human Resources [Maddock and Morgan 1999] whereas in Wigan, HR had to change its approach because the Deal is a corporate transformation process driven by council leadership. Hall<sup>5</sup> acknowledges that service co-design and networks frequently fail because they lack the backing of political leadership and transformation in corporate services. The Wigan philosophy of reconnecting people mirrors Follett's belief that participation motivates people and lifts spirits; important in social care and mental health. Hall is now working with the Greater Manchester Mayor in the campaigning to tackle loneliness, readiness for school and homelessness.

### **Rural Communities**

In non-urban areas, councils lack political drive for system change however social movements are generating an energy for politics. There is a surge of energy in rural communities for social enterprise, particularly in the Southwest. Local people producing food and setting up outlets, running community shops, converting buildings and finding community ownership solutions to the closure of post-offices, libraries and swimming pools. City emigres seeking a healthier life are bringing experience of social alternatives and of rising equity through crowdfunding and community shares. In Cumbria communities are overcoming a lack of digital connection by digging their own infrastructure, developing alternative energy supplies and expanding sustainable food production. There are a growing number of independent candidates promoting participative democracy, such as in Frome and Buckfastleigh<sup>6</sup>. The downside of this energy is that quite often the political motivation revolves around the interests of the educated and poorer locals can feel excluded and inequalities are too often neglected.

Buckfastleigh bucks this trend, run by a dynamic mayor and independent group leading regular open council meetings where poverty, housing, schools and abuse are discussed. Within two years they have managed to keep open the swimming pool, organize sports, develop the park and play area and appoint a local warden. Significantly, Buckfastleigh Town Council have, with local consent, raised the precept in exchange for new services. A new local social settlement in the making:

“Town Councils could be the last bastion for democracy and local services. They are small enough to be able to understand and react to local community needs, and with unique powers to raise funds, are able to deliver communities priorities at a time when District, County and national authorities are slashing local services. They are in a unique position, because small, to involve communities. They can do much more than people think, we have the community's consent to raise the local tax precept by 97% to fund the projects the community really cares about”<sup>7</sup>.

### **Poor Alignment between local innovation and government**

Local government may have the authority to decide political priorities and business models when voters give them a mandate to redesign services, but without better alignment with government funding and systems they are often slowed down or thwarted. The government's centralized, technical systems is at odds with place-based connectivity, and both cities and local community organizations report a tension between their plans and government requirements. Just as Mary Follett argued decentralization must be the anchor of participative democracy but she also recognized that the government machinery must also be transformed.

Andy Burnham<sup>8</sup> Greater Manchester Mayor recognized that health and social care integration would be difficult without a commensurate transformation of business, and commissioning models and corporate systems: back-office transformation is essential. If corporate services are not aligned with new social outcomes, they work against transformation. Wigan is the lead on transformation for Greater Manchester is

advocating a strength based this approach as the driver of change and if this approach can be adopted across all ten authorities, there will be an impressive transformation of citizen-council relationships.

However, impressive local transformation it remains heavily constrained by central government funding, commissioning and belief in its own centralist thinking. The rhetoric that marketization will stimulate public service innovation is often mistaken and if continue to measure success through a Whitehall lens of short term gain and the current commissioning framework local innovation which relies on horizonship relationships will be difficult to sustain. For instance, the government's current commissioning model relies on large prime contractors such as Capita, Serco or Virgin to sub-contract smaller suppliers to deliver social outcomes within short-time frames, and is a model that prioritize efficiencies rather than social outcomes; a fact recognized by social enterprise who refuse to engage with the process [Maddock 2012]. However, tensions between vertical and horizontal supply chains could be overcome by further devolved commissioning and budgets.

### **Socially Inclusive Economic Model**

The government's neo-liberal economic model tends to neglect the regions and undermines the efforts of those cities and councils attempting to forge inclusive economics. Professor Ruth Lupton (Manchester IGAU<sup>9</sup>) says that there is a desire for a more inclusive economy in the public sector but that business remains skeptical (All Parliamentary Group on Inclusive Growth; 2017)<sup>10</sup>. This skepticism is common because local, alternative economics is rarely aired in the media and policy-makers continue to insist that there is little positive evidence for inclusive economics. However, there are examples of inclusive socio-economic models that are relevant to cities and could benefit the national economy.

For instance, Iceland is small<sup>11</sup> about the size of a city and out of necessity egalitarian and innovative. This is an elemental country of extreme weather yet Iceland scores high on all wellbeing and personal satisfaction indicators.<sup>12</sup> Perhaps it is because the

government views investment in people and the social infrastructure as essential. Iceland has a people shortage, everyone is an asset, and is nurtured and educated. 60% of the population graduate, (67% of women), child care is free and women are at the heart of politics. Iceland has an explicit social settlement between government and citizen; the deal is that government invests in the social infrastructure and citizens accept taxation and demonstrate civic responsibility. However, Iceland is not a paternalistic state, community solutions are the norm and most adults have one or two civic roles as well as a job/s and family life. The economic sphere is not detached from social or environmental interests.

Most organizations, whether in business, the public or the third sector, face the same challenges that demand strategic thinking, transformation and change –with solutions not found in mergers and acquisitions, or restructuring but an understanding the wider system of social relationships and people's creativity. In cities it is already clear that the separation between social and economic spheres is unhelpful and it is resilient people with social capital who make the difference to flourishing communities and successful economies. The dominance of a narrow economic model continues to undervalue women's work and now increasingly is reducing the time for essential voluntary activities that affects everyone and undermines the fabric of society. The technical systems that have evolved in business and government are goal oriented and transactional involving tasks which may soon be done by robot s. The human qualities most relevant to the future are the ability to feel, connect, relate, imagine and reflect – these were the qualities Follett's speaks on as the most important to creativity, collaboration, participation and organizational change which are undervalued in transactional cultures where the financial, bottom-line rules and there is complacency about inequalities and disenfranchisement. Fortunately, there is new confidence in social and economic alternatives in cities and in communities.

It is city, leaders who recognize the need for a fairer settlement between people and the state and a more inclusive economics as a way of reducing inequalities. Government should

reflect on new more balanced economic and industrial models which value regional growth and the social infrastructure. However, it is not enough to develop policies, because as Follett argued, it is only through participation that alternative strategies emerge. However, for these to flourish they need to be aligned with government thinking, funding and practice. The challenge is of persuading people and national politicians of the need for change and involving them in the process. Brexit may yet force a change when skills shortages, low pay, job losses and devaluation of the sterling reveal the limitations of the existing economic model and that there is an alternative model emerging in cities.

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## Endnotes:

- 1 The US Federal State was in crisis a context of corruption and nepotism. There was a demand to reform. There was a tension between pragmatic thinkers wanting reform and the more traditionalists who wanted a system loosely based on UK model of cabinet government. Follett saw the Speaker of the House of Representatives as the key to greater stability.
- 2 Robin Hambleton *Leading the Inclusive City- Places based innovation for the Bounded Planet*. (2015) Policy Press: Bristol.
- 3 Personal communication Sept 4th 2017
- 4 New Start, CLES Sept 2017
- 5 New Start
- 6 Mel Usher – Flat pack Democracy
- 7 Pam Barrett, Cllr & Mayor of Buckfastleigh, Speaker at Fearless Cities Conference, Barcelona 2017 and Devon Camp Fire Conversation



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8 Andy Burnham, Hustings May 2017, Manchester Art Gallery, former Labour Minister was elected Mayor of Greater Manchester in May 2017 with 66% of the vote.

9 Ruth Lupton, Manchester University IGAU in the All Party Parliamentary Group on Inclusive Growth. The State of the Debate in 2017. [www.inclusivegrowth.co.uk](http://www.inclusivegrowth.co.uk)  
@APPGIncluGro& Sheffield Political Economy Institute (SPERI)

10 The JRF and Manchester University's Inclusive Growth Analysis Unity has been set to promote better ways of measuring growth and developing social inclusive indicators that assess the quality of growth, pay levels, participation, training etc.

11 Iceland population 350K

12 OECD  
<http://www.oecdbetterlifeindex.org/countries/iceland/>