

Pound Foolish



by Theodore Dalrymple

Nothing better illustrates the servitude of the British people to their government than the bankruptcy of the city of Birmingham. The city council has announced that it will be able from now on to provide only the most basic and urgent of services, which it had previously done with indifferent efficiency in any case.

The main cause of its bankruptcy is the nearly \$2.4 billion that it has been ordered to pay to past female workers over more than a decade as a result of anti-discrimination litigation, and which is now the first call on its funds. Apparently, the female workers—mainly in the field of social care—missed out on “bonuses” paid to other council workers, on what basis it would be impolite to inquire.

This means that a household of four in Birmingham has, in effect, a debt of approximately \$10,000 toward the women who did not receive their share of the bonuses, a debt contracted

on the family's behalf by the council. In return for higher local taxes, the people will receive fewer services such as trash collection, already much reduced, and it has even been suggested that the city's museum and art gallery (which has the largest collection of pre-Raphaelite paintings in the world) might have to be sold.

It is not as if the litigation is the only source of debt. The council bought a new computer accounting system for \$25 million, only to discover that it did not work. The estimate for putting it right is \$125 million. Ring up another \$600 per four-person household.

Some years ago, I pointed out that the taxi driver association of the city, with probably not a university degree between its members, bought and operated a highly sophisticated system similar to, but preceding, that of Uber, at a cost that the council would have found derisory. The difference was that the taxi drivers' association had a vested interest in making the right decision and ensuring that the system worked: the very opposite of the council's incentives.

The Birmingham council is not alone in its incompetence. My own county council bought a shopping center for \$62.5 million just as the retail trade collapsed, and the center was valued at \$8 million two or three years later—if it could be sold at all. The council thereby wiped out its statutory reserves. Thus, local taxes will have to rise without any benefit to the taxpayers.

It is difficult not to suspect corruption of the traditional kind, but even without such corruption (which at least would point to some kind of competence), money is wasted in pharaonic quantities. The Tony Blair government, for example, tried to produce a unified information system for the National Health Service—something that Sweden and Denmark achieved without fuss. After \$15 billion in spending, the attempt was abandoned with nothing to show for it except, perhaps, many

new millionaires.

The British have unlimited liability toward their state; their state has none toward them.

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