

SLAVES OF THE BONUS CULTURE

Regulation and incentives are replacing professionalism, writes **Kenneth Minogue**

In the long history of cognitive failure, Prime Minister Gordon Brown's response to the British parliamentary expenses scandal must have a high place. The House of Commons, he asserted, could not continue to be a 'gentleman's club.' As everyone immediately realised, the Commons ought to have been exactly such a club and, alas, was not. No doubt, of course, it's quite hard to pin down what might characterise a 'gentleman's club,' but we do know that there are many things gentlemen will not do, and exploiting a set of rules for personal advantage is one of them.

It might seem that 'gentleman' is a touch gendered in these feminist days to characterise the possible perfection of an assembly about one-sixth of whose members are female, but that would be a serious misunderstanding. In her celebrated book *The Gentleman in Trollope: Individuality and Moral Conduct* (Akadine Press, 1997), Shirley Letwin argued that the most perfect example of the uniquely English idea of the 'gentleman' in Anthony Trollope's novels was Madame Max Goesler, who was probably Jewish, foreign and female. The figure of a gentleman, both as ideal and reality, is no respecter of genders. And that might make it a useful starting point in any treatment of the collapse of integrity in English politics today.

Integrity as a limit on self-interest

The crucial idea, however, is integrity itself, the moral core that guides us in judging appropriate limits to our pursuit of self-interest. Integrity is our faithfulness to the conception we have of ourselves as decent human beings. It not only comes in many shapes and sizes but also wavers in response to circumstances. Nevertheless, it does tell most

people in our culture that exploiting a set of rules for personal advantage is often a questionable thing to do. The notable absence of such integrity, which has recently been so dramatically illustrated by a number of bankers and politicians, makes it clear that British life faces not merely an economic and a political problem but, more basically, a moral one.

We need, then, to recover our moral bearings, and we may perhaps do so by starting from the one area of our lives where in fact no one believes the fashionable doctrine that morality is just a matter of choice and that virtues are optional. We must start, that is to say, with the professions. Whatever we may think about sex, perhaps, or about generosity to the starving of the world, no one doubts that the business of doctors is to do what is best for the patient. The doctor, in his medical identity, is an agent whose duty is selfless service, just as the accountant must give a true account of a company's real position in the balance sheet. To be 'professional' in this way is to understand oneself, and to be understood by others, as worthy of respect for one's disinterestedness.

To be respected for such integrity is clearly a great benefit to any activity. One element of modern progress has been that many previously rather casually organised activities have set themselves

Kenneth Minogue is a Professor Emeritus at the London School of Economics. His new book *The Servile Mind: How Democracy Erodes the Moral Life* will be published in 2010. This article was originally published in *Standpoint* magazine.

up as professions. The tutors and governesses of an earlier time now belong to something called 'the teaching profession,' and activities ranging from surveying to estate agency have come to claim that they, too, belong in this admirable category. This movement has been part of a wider process in which so much of Western life has become laudably formalised, reliable in its results, and for the most part 'straight,' which is to say, not corrupt. How does an activity promote itself into professional status? The three classic professions were divinity, medicine and law, with soldiering also accorded some ambiguous recognition. These professions combined two elements. The first was their recognised command of some branch of skill that could benefit others, and the second was *professing* a moral commitment to abstain from exploiting this skill for the practitioners' own benefit. In order to make this clear, the professional was rewarded with a 'salary' so that he (and later she) could concentrate on the skill in hand rather than being concerned with inducements to work. Non-professionals were rewarded with wages, not salaries. They needed to be given incentives, while professionals were thought—*ideally*—to have no need of such motivation.

We all recognise, even if somewhat fitfully, integrity as a limit on what we shall allow ourselves to do.

This economy of work might well be thought unrealistic, outmoded, class divided, and hierarchical, and I think it is. Do plumbers and bricklayers not have integrity? Do they *merely* practise their craft in response to the pay they get? In fact, there is a good deal of casual 'professionalism' in every kind of work, even at the lowest pay grades. If, as I am suggesting, integrity constitutes much of the essence of professionalism, then clearly all those who are committed to decent conduct, and/or to professing one religion or another, are, in an extended sense, 'professionals.' They exhibit the essential feature of commitment. The old idea that integrity is to be found only in the respectable professions thus distorts the reality of most lives. We are all, or nearly all, professionals at least in the management of our individual moral agency.

We all recognise, even if somewhat fitfully, integrity as a limit on what we shall allow ourselves to do.

Bonus culture

The old class-defined distinction between those who earn salaries and those who earn wages is thus breaking down. So we encounter the paradox that while everyone today is in some degree professional, that very specialisation combining skill and integrity is breaking down in another sense, especially among the managerial classes. It appears that among many of the richer and more powerful figures, only a kind of special wage, an inducement or incentive called a bonus, can draw the best out of them. Bankers used to be one of the respectable professions, noted for their integrity, but certain species of banker have recently set out in hot pursuit of such 'bonuses,' often to the detriment of their integrity. And the MPs who have created and often notably exploited a system of allowances exhibit another form of this collapse of integrity.

In these terms, we may well today ask whether MPs constitute a 'profession' in the old sense of profession. I think they do, and so, to judge by the clamorous public response to the problem of misused allowances, does the British electorate. MPs are professionals in the basic sense that the money they are paid (which they apparently think insufficient) is the condition that allows them in principle to exercise their judgment entirely in the service of the good of the country. Seeking what one might call 'backdoor benefits' contradicts both the oath of government and the prayers recited before sessions. Many MPs have, of course, recognised this and behaved with propriety.

Events are clues to the deeper currents of our lives. The big question is: what do current scandals involving bankers and politicians reveal about the moral world in our generation? There are plenty of candidates for an explanation of what has happened. Some will be found muttering 'greed' while others attack 'excessive individualism.' The wooden spoon explanation must be awarded to those who think that all our troubles result from the long corrupting shadow of Margaret Thatcher. The problem, however, is real. In one sense, as I have been suggesting, we are all in some degree professional and this professionalism is central to our moral identity. On the other hand, however,

integrity is under attack from the idea that doing our duty is something that ought to be encouraged by a system of rewards and recognitions. It is called a 'bonus culture.' Here, then, is our new situation, in which it is widely believed that we live not in terms of self-limiting integrity, but within a structure of rules and controls, and the smart thing is to push those rules as far as we can in order to benefit from them. How did this situation come about?

From professionals to employees

The basic relevant change over recent generations is clear. Professionals have increasingly become employees, generally employed by the state. To be a doctor these days often means less to exercise professional discretion than to be bound to follow guidelines issued by the government of the day concerning every subject of interest, ranging from what might be prescribed to the times when services must be available to the public. GPs, who used to be entirely self-regulating, are currently regulated in terms of something called the 'Quality and Outcomes Framework.' The hours to be worked by doctors in hospitals are being regulated by the European Union in Brussels. Recruitment procedures for registrars and consultants are closely dictated by the state, and it has been reported that many doctors are either emigrating to avoid this bureaucracy or are taking early retirement.

This move from professional to employed status means that professionals find themselves judged not in terms of their own professional integrity but of assessment by their clients or customers. The change responds, of course, to the fact that folly and error cannot be entirely avoided in human affairs and it may be dealt with in one of two ways. One is by self-regulation, which is still part of most professional organisations. The other is in terms of legally enforced regulation, based upon the principle that society must learn the lesson of bad things happening and procedures set in place to make sure that this or that (from careless anaesthesia to the homicidal amusements of Dr Harold Shipman) 'can never happen again.'

The teaching profession is a dramatic example of how an activity recently arrived at professional status has been rapidly reduced to a kind of helpless instrumentality. A national curriculum

now prescribes in detail both what shall be taught and how it will be taught. Whenever the government begins to recognise something as a 'social problem,' luckless teachers are pressed into service to improve the minds of their charges, new responsibilities demanding the promotion of social cohesion and racial awareness, instruction about healthy food and the avoidance of obesity and correct attitudes to varying 'sexual orientations.' Many other types of professionals have similarly been conscripted by the state. Accountants and lawyers are subject to criminal penalties if they do not report what might be money-laundering or tax-evading operations. The state has a long arm and it now stretches into every factory, office and household in the land.

The inner motivation of professional integrity becomes gradually modified by the rules and instructions coming from an employer.

What are the consequences of this move from professionalism to employment? The basic point is that the inner motivation of professional integrity becomes gradually modified by the rules and instructions coming from an employer. The change in conduct no doubt happens almost insensibly over time and it varies greatly according to the individual character of those involved; it also varies from activity to activity. It's true that no external employer has been involved in the decline of the House of Commons, but its responsibility for the conduct of affairs has been notably diminished by the movement of many competences to Brussels. The serious responsibilities of parliament in earlier times clarified and sharpened the sense of public responsibility.

As integrity fades, new forms of motivation must be created. This means the introduction of incentives, which in turn can operate only if the job in hand can be rationalised into a discrete set of tasks, and these tasks in turn prioritised so that some of them become targets, attracting benefits if they are achieved. No activity can survive such rationalisation without loss. Bonus payments—available both to individuals and to institutions—come to supplement and, in some cases entirely

replace, the integrity that previously governed the activity. One consequence is that the work is not as well done as it was before, because we no longer have professionals making *situational* judgments of what ought to be done. The distortions attendant on a system of targets have been widely discussed, especially in the police force and in the NHS. It is clear that if the police are given a set of targets, the achieving of which will bring promotions and higher funding, they will clearly concentrate their energies on those targets rather than on other duties.

What is the result of the steady transformation of professionals into employees? There is certainly a difference between consulting a specialist, on the one hand, and the expectation of a perfect service, which the state promises, on the other. Consulting a professional requires, rightly or wrongly, trust. However, people who have been told that they have a right to perfection become extremely resentful if things go wrong. Furthermore, to fulfil this promise of perfection, surveillance techniques are widely used to guarantee the performance of targets. The Department of Health used random telephone calls to check whether doctors were opening their surgeries more frequently in response to new arrangements. Teachers are subject to inspections, while university dons and (so we are promised) GPs are threatened with surveys in which their 'clients' report on their satisfaction. New developments in the law of negligence have facilitated this attitude.

State regulation promises us perfection, or at least an end to specified imperfections.

Decline of trust

One consequence is a steady decline in the level of trust between 'service providers' and those who benefit from them. And since governments have learned to extend their surveillance techniques further, they have set up 'hot lines' through which fellow citizens may report on 'welfare cheats' or tax avoiders. The general level of trust between strangers in society is declining. Societies vary in the level of trust they exhibit and it is much

better living with a high, rather than a low, level of general trust. Years ago, in a radio interview, Noël Coward, talking about the English, described them as the 'only people I ever really trusted.' He was, of course, referring to 'his' England, which he had serenaded in plays and films. His was a charming, hierarchical, old-fashioned England, quite beyond our current reach or indeed most of our desires today. But his attitude illustrated the kind of social cohesion found in most settled European states early in the twentieth century. Much has gone, and where trust goes, regulation follows. Or is it the other way round? Is it that where regulation comes in, trust flies out the window?

State regulation promises us perfection, or at least an end to specified imperfections, and that makes the client/professional relationship more edgy than it used to be. After every well-publicised calamity, governments are expected to 'do something' and they offer procedures promising that lessons have been learned, stating that this kind of thing can never happen again. This cannot, of course, prevent new calamities, so that we find ourselves with a rising level of regulation and control. The inventiveness of human folly is constantly underestimated. In other words, the move from professionalism to state regulation results in a system whereby, when we discover that the last set of regulations has failed, we uncover more and more things that must be regulated. Each new abuse discovered becomes a demand that the government should do something, and that particular something (whatever its immediate benefits) necessarily leads to further degeneration.

The decline of general trust is perhaps the most serious consequence of the emerging conditions we are describing, but there are others. One is a collapse of sophistication that users of any professional service exhibit in having recourse to professionals. To expect a perfect service is something different from consulting a professional and leads to a much more edgy relationship. The intention of regulations is often to protect the vulnerable, yet it is generally the vulnerable who most need the best professional attention. The system of rewarding those who hit the target spreads the idea that the only reason for doing

one's duty is to enjoy the reward. School truants have sometimes been rewarded with vouchers for merely turning up, obese patients in Scotland have been given incentives for consulting a doctor, and so on. The idea spreads that the unrewarded virtue is not worth performing.

Limits of professional knowledge

A further consequence of this degenerative cycle is one that most people will think trivial but which I suspect may be the most important of all. Professionals are particularly valuable in understanding the very strict limits to their professional knowledge. They used to be parsimonious with general opinions. Employees today, however, think of themselves as citizens with a duty to improve the world. The result is that lawyers now think that they have to do with justice, rather than the law, and doctors start advising people on lifestyle.

Teachers become social workers intent on repairing the damaged fabric of family life. Academic economists even think they ought to dictate the public finances, like the ill-fated 364 academic economists who derided the 1982 Budget, which rescued Britain from the disasters of the Winter of Discontent. Here we encounter not the vulnerabilities of the dim but the illusions of the more or less intelligent. Instead of a clear division of labour between specialists who understand their limits, we have a jostling between groups who all imagine themselves to be universally wise. The

old and fairly strict division of labour between professionals gives way to a democratic world in which everyone equally has opinions on all the subjects of political contention. The crusty lawyer of earlier days might well think that the law was an ass, but that was the business of legislators, not his. Today's judge is a good deal more creative.

The decline of professionalism is thus one way of tracking the change in our moral sentiments over the last two or three generations. What is today recognised as a 'bonus culture' is part of the enfeebling of inherited integrities and their replacement by the external inducements that governments and other powers use in the project of improving society. The problem is that the moral life includes not only doing the right thing (whatever we may take that to be) but also our duties to the character we believe ourselves to have. This is an inner responsibility for avoiding whatever we would despise ourselves for doing. It is a test that many people have failed in remarkably public ways and there is a lot to learn from it. As with all forms of moral change, there is no easy way back to the sensibilities so many people have lost. We have become so accustomed to being administered and managed by official power that many in our society have no other principle of motion than oscillation between impulse on the one hand and external control on the other, without much of an inner core of self-direction in between. The classical Greeks called this condition 'servility.'

Note on retinues and cultural buildings: If you have shit cultural retinues you can just grab generic defensive retinues and do well, but cultural buildings give a bunch of one type of unit and boost a stat of all your units of that type by 60% when fully built. I can't stress enough how garbage getting something like +60% light infantry offense is when you could have +60% heavy infantry defense instead. Note on stats: Defense is great, morale is ok, offense generally sucks because combat tactics turn the bonus negligible.Â Khazar: One of the two best altaic cultures, all of which get raiding and the ability to invade entire kingdoms if you are pagan. Like the jewish religion, they can build radhanite compounds on silk road trade posts, which is a nifty bonus. The Irish slave myth is a pseudohistory that falsely conflates the penal transportation and indentured servitude of Irish people during the 17th and 18th centuries with the hereditary chattel slavery experience of Africans. Some white nationalists, and others who want to minimize the effects of hereditary chattel slavery on Africans and their descendants, have used this false equivalence to promote racism against African Americans or claim that African Americans are too vocal in seeking justice. The