

More productivity, higher pay

Most governments want higher productivity, or say they do. most grasp that if you get people to produce more goods or services in a working week you collect more revenue and can share that with employees.

Seeing that is not the same as selling it to those who need to deliver. Understanding it does not mean you can do it. Selling it requires explaining to people that the country can only afford more real pay if it produces more for people to buy with it. If you pay more money but there is no increase in goods you get inflation.

You then need to reassure people that you not saying they have to work harder or longer hours to raise their output. You want to help them work smarter. They may need training to add more value, or need more automation to speed their tasks.

Government Ministers can urge this but they need to show they can do it in those parts of the public sector they directly manage. The truth is the public sector has been particularly disappointing for productivity growth. Ministers now tell us they can slim the civil service. They should have a comprehensive ban on external recruitment to allow natural waste age to cut numbers. This gives employees more promotion opportunities. ministers could authorise external appointment where there was no suitably skilled person in the current civil service.