

Raising productivity – a policy all claim to like in general

If we work smarter we can be paid more. That is the simple message behind the economists' idea of raising productivity. Today there is plenty of scope to do just this. Robotics, the digital revolution, powerful computers all allow an individual at work to have more machine power at their elbow. More of the drudgery can be done by machine, leaving individuals to do the more interesting things that require talking to clients and customers, making decisions about product and output, and organising production.

The area of the economy that has been most disappointing in the last 20 years for productivity growth has been the public sector. Of course we want quality to rise, and do not wish to scrimp and save on teachers or doctors. That still leaves plenty of scope to run the NHS or the education system more effectively. Quality and efficiency often assist each other. High quality means less waste, getting things right first time, doing things well in a way which maximises the use of resources.

The productivity problem lies behind why the government must ensure in its directly managed NHS that it gets good value for the extra money. Some of the money should be spent on systems and digital age equipment which makes it easier for trained staff to do their jobs and helps them control and audit the quality of what they do.

Those who see productivity programmes as excuses for cuts and less spending need to be reassured that proper productivity programmes create more worthwhile work, and go with the grain of all staff who want to raise performance.