The Rise of the Consultant Governing Class

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Theme: History

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They have become the outsourcing mandarins, consultancy companies which have served to degrade expertise in the public sector while diminishing the quality of services. Along the way, they have charged astronomical fees in giving repeatedly flawed advice. Consultants, packaged as all wise gurus, have become the great confidence tricksters.

Embracing the inner voodoo of consultancy had the effect of discouraging in-house contributions and solutions within government and the broader economy. The result was a strange plea to those outside the public sector, resulting in what can only be described accurately as the consultacracy.

In the 1970s, the new priesthood of outsourced mandarins began stirring. Within decades their power and reach had become global. Four firms came to dominate: Deloitte, Ernst & Young (EY), KPMG and PwC. Lacking much in the way of transparency regarding reporting requirements, they remain private partnerships marshalled against the public interest and emboldened by self-interest.

Latest to come out on the rise of this specific class of advisor is a work by Mariana Mazzucato and Rosie Collington. The authors make their intentions clear in the loud unmistakable title *The Big Con: How the Consulting Industry Weakens our Businesses, Infantilizes our Governments and Warps our Economies*. Their studies are pointed and troubling to the government-corporate fold which has expended billions in cash bringing in the outsider capable of working magic, be it in correcting the books, cutting staff, or introducing any measures to advance efficiency.

What, then, of the ultimate object of using such outfits? Supposedly, at least regarding advice to governments, it is to achieve policy goals in an efficient, timely way. Consultancies are also meant to offer good returns for their advice. The Management Consultancies Association (MCA) in the UK suggests that for every £1 spent on consulting fees, the client can expect £6 in return. That very sense of self-confidence is something to behold.

Certain areas have seen a glut of consultants, with health care being a truly rich field for exponential growth. As *Politico*'s Joanne Kenen, writing in 2018, explained, the health sector has generated a vast "market for consultants, advisers and a whole universe of ancillary experts who don't practice medicine but promise to help navigate a landscape that seems to change every six weeks."

Deloitte played an instrumental role in the botched pandemic Test and Trace Programme deemed by the UK Public Accounts Committee as "overly reliant on expensive contracts". The fee for their services was hefty: something in the order of £40 million.

In 2021, the National Audit Office found that only 17% of people received their test results in 24 hours as opposed to the set target of 90%. This was despite Deloitte being tasked with handling logistics across testing sites and working with such private firms as Boots and Serco. Targets were not met, and local hospitals found themselves having to take over dysfunctional centres.

The defects of consultancy were also laid bare in the hiccup-filled rollout of the healthcare.gov website as part of the implementation of the Affordable Care Act during the Obama administration.

The deep irony here is that health care consultants have fostered a culture of inefficiency and costliness. A study on the role played by management consultants for the National Health Service in Britain is far from glowing. Of 120 NHS English trusts examined, the bodies had expended in the order of £600m on management consultants between 2009/10 to 2012/13, rising from £313 million in 2014. This led to a "significant" rise in inefficiency and a poorer return of services. This was a god that failed.

Part of the problem is that such consultancies create work to fill the space that supposedly requires them. The brand seeks a response from the vulnerable client, irrespective of the need for supply. Importantly, the trick goes to convincing the organisation in question that they have no feasible, reliable route within its own ranks.

Organisational complexity supposedly creates instances where expertise is required, a sage-like insight into the arcana of practices that constitute the modern government department or corporation. This can then lead to suggested reorganisations that become perpetual and self-perpetuating, enabling the consultants to be kept in permanent employ. They help reorder your mess to enable them to disorder it. As the authors of a splendid contribution to the *Journal of the Royal Society of Medicine* concluded after examining the vast literature on this dismal subject, there were "many reasons for repeated reorganizations, the most being 'no good reason'."

Rather than being conducted within the organisation, eyes are cast outwards and beyond to the independent outsider, one who supposedly has the worth and ability to give independent advice in a fully professional, informed capacity. This is something of a fiction, given that many such consultancies, notably in the government context, are linked to government, be it through a public sector capacity or as a political representative. Conflicts of interest prove unavoidable, and the independence of the advice becomes highly questionable.

The Big Con, despite its bleak examples, strikes an optimistic note in the form of a clarion call. The public sector, argue the authors, should not be afraid of following expertise within their own offices and departments in the form of in-house consultancies. Bring that expertise lost to the consultant firms back into the fold. The same applies to non-government bodies. But reversing this trend, and the door through which these problems open, will be a huge challenge.

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