

# Introduction

As I write this introduction, the British elite appear to be weaving from one full-blown crisis to the next. They have splintered in many directions. The Conservatives admit austerity hasn't worked out but they have no plan-B. Debt and market bubbles are inflating again. The country is several months into its negotiations with the EU over the terms of Brexit, but no-one, including Theresa May and her Cabinet, has any idea of what they are negotiating for; nor what is best for the Tory Party, let alone the country.

Many see this as just another low point in the cycle of Establishment control. The vote for Brexit profoundly shocked many of those in charge. But still, at some point, they will get their act together. They did after Suez in 1956, the IMF bailout in 1976, and the ERM<sup>1</sup> debacle in 1992. Britain will become great again, even if that greatness will be mainly reserved for a small group at the top.

The problem is that Brexit was not a recent one-off. Scarcely anyone grasped how disastrous US-UK policy in the Middle East and Central Asia after 2001 would prove. The elite also failed to see the rapid rise of Scottish nationalism in 2014, or that the Conservatives would lose their majority in 2017. No-one foresaw the scale of the financial crash in 2000, or the one in 2007–8, or the one coming to a high street near you soon.

I would argue that these multiple crises are no coincidence. Neither can they be put down to the actions of a few deficient personalities. It is a structural problem that has developed over decades. The great transformations of the 1980s onwards have not only upended societies, they have reshaped leadership itself. Globalisation, turbo capitalism, financial engineering and new communication technologies have destabilised and disoriented elites as much as anyone else.

This has produced a new generation of leaders who are struggling to maintain some form of command. Regardless of intent, they lack expertise and vision. They are precarious, rootless and increasingly self-serving. Although many have done exceptionally well in material terms, their ability to shape events and influence perceptions is in steep decline. And they have yet to come to terms with the economic and political gulf between themselves and the rest of the population.

My sense of this evolving long-term crisis has become clearer after many years of speaking to those at the top. Often when talking to leaders, I have suddenly understood that they are not in control. I'm aware that I'm talking to someone plugged into power, money or both; someone who knows where their interests lie. But they are not really in charge.

I got that strong impression when talking to Baron Alistair Darling about his time as Chancellor of the Exchequer. Darling, by his own account, wasn't supposed to be in charge when the great financial crisis hit: 'I was there really as what Brown saw as a temporary thing.' He wasn't an economist, just a 'safe pair of hands'. He was keeping the seat warm for Gordon Brown's chosen successor Ed Balls. Then the banking system began to collapse. He was left managing potential financial Armageddon with all the control of a novice rider holding on to a bolting stallion.

The late Lord Cecil Parkinson, by his own admission, was surprised to find himself a senior cabinet minister. 'Not the brightest tool in the box' said one of his former cabinet colleagues. He is now better remembered for fathering an illegitimate child and having his career cut short, yet he was the politician who pushed through 'Big Bang' in 1983 (the changes happened two years later). This deregulated the financial sector and had a profound and lasting effect on the UK economy. Parkinson had somehow achieved this, secretly outmanoeuvring the Cabinet and City Establishment in a matter of a few weeks. As he confided in me, it had to be quick because he knew the news of his extra-marital affair would soon become public.

I had a similar feeling when David Nish told me about his first experience of being at the top. Nish was riding high at Scottish Power, a FTSE 100 company: 'People thought of me as the next Chief Executive of Scottish Power, I was very successful.' And then: 'I came in on a Monday morning and the Chief Executive said to

me “David, I want you to go”.’ Sir Michael Davis was another to grab defeat from the jaws of victory. He seemed to be at the top of his game, leading a merger to create the biggest mining company in the world. Things suddenly went sour overnight, and he was ejected just as the deal was being signed off.

It’s these moments that have given rise to this book because they don’t quite fit the characterisations of elites and the Establishment as they are constructed by both left and right. For the Establishment itself, as with the classic elite theorists writing a century ago,<sup>2</sup> leaders are in control because they are superior. They are knowledgeable, innovative, visionary, hard-working, charismatic, self-made and many other things. They got to the top on merit and because they were winners amongst winners. They drag the nation along with them towards prosperity and are richly rewarded accordingly.

For the left, like the critical elite theorists writing in the post-war period,<sup>3</sup> it is about control based on power rather than innate ability. Those on top are privileged, socially cohesive and able to shape events to secure their shared, collective interests. Whether impeding innovation or driving change they adapt to ensure their status quo prevails. And the Establishment always wins.

However, there is an alternative view put here, which is that the modern generation of leaders are neither expert nor visionary; nor are they socially cohesive or in control. Too many are just reckless opportunists making the best of what they have amid the chaos they have helped to create. That’s how people might characterise the likes of Boris Johnson and Michael Gove, Fred Goodwin and Philip Green, Rebekah Brooks and Richard Desmond, and several others besides.

Yes, they can earn more than ever before and their decisions have powerful consequences that are widely felt. They are highly skilled when it comes to pursuing their self-interest. But, they are also rather less able to influence public opinion or predict the consequences of their actions. What is best for them can often be bad for their organisation, their employees or publics. Their failings are not only damaging the wider public, economy and society, they are undermining the very foundations of elite rule itself.

This leaves a series of questions to be answered. First off, how did we end up systematically producing the leaders that got us here? How do they get to the top and how do they survive once there? How do they cope with the lack of power that everyone assumes they

have? And, how do they get out, personal fortunes and reputations intact, before anyone notices the damage they have caused?

This book attempts to answer these questions by offering a more intimate view of the everyday working lives of leaders in Britain. It is based on 20 years of researching elite figures in five areas associated with the modern Establishment: the national media, the City, large corporations, the Whitehall civil service and the major political parties at Westminster. Over that time, I have interviewed and observed over 350 people working in or close to the top.

One thing that has become apparent to me is that although the professional worlds that these varied leaders inhabit are different, they also contain many parallels. The ways elites are selected, constrained and incentivised everywhere has meant we are producing a generation of self-serving, insecure and less competent leaders. They have the abilities and skill sets needed *to become* leaders but not those required *to be* good leaders. They are always on the move and can't afford to invest meaningfully in personal relations or in gaining expert knowledge.

Once in power, they are inward-looking, creating their own cultures and are cut off from their publics. They stay there, insulated from criticism and protected through institutional impenetrability. They are rewarded for creating and gaming their own evaluation systems. They succeed by making short-term gains and pushing larger, long-term problems into the future. And, when things fall apart they run to the safety of the pack, or they up sticks and move on. For the cunning leader, there is always another business, institution or country to relocate to and screw up.

This book departs from convention in two obvious ways. For one, although this is a close-up, fly-on-the-wall style account, it is also very much an outsider's perspective. Most detailed and personal studies of the British Establishment have been produced by those who have a certain familiarity with their subject. Their authors had a privileged education, they became Oxbridge dons or joined the national media. Many ended up with a title and in the House of Lords. I didn't and won't. The social history I have produced here is more that of the middle-brow, sociologist interloper.

The down-side to this is that I have not always got the level and depth of access that others have obtained. On the plus side, it also means I don't have to worry about bumping into my subjects each day and can be a bit more ill-mannered. I also get to start

sentences with 'And' and cannot resort to boring you with my Classics knowledge.

The second difference is in the way the book is organised. Almost every other study of elites or the Establishment explores the topic sector by sector, as if constructing a national map of power marked out by distinct elite professions. This one mixes up all five of my sectors in each chapter. This is because, for me, it is the many similarities of disparate elites and institutions that are so interesting.

Leaders are more alike than different in the ways they develop personal strategies, make risk assessments, relate to systems and ideas, look at their peers, and respond to fashions. The dilemmas and constraints of leadership have many parallels and operate in the same self-destructive ways. It is the similarities and their consequences that I am keen to reveal here.

And although the book is based on five elite sectors in Britain, I feel that many of the issues and similarities discussed are more universal across the top tiers. Whenever I give a talk on these issues, inevitably people come up and tell me how it describes their experiences of leaders in other occupations and countries.

The book is organised in four parts. Part I surveys the elite state of play in Britain as it is now. Chapter 1 argues that the Establishment, as it has been conceived, is coming to an end. Chapter 2 looks at how elites, by trying to get ahead, have destabilised the very institutions on which their power is based.

Part II looks at how leaders have adapted to get to the top. Those most suited to pleasing their assessors get there first. That means PPE degrees and MBAs<sup>4</sup> rather than qualifications in law or engineering; media management and accounting skills instead of creativity and entrepreneurship. Sellers now trump makers, and bluffers outrank experts.

Part III reveals some of the ways elites stay at the top once they get there. As Chapter 5 shows, joining the club means sharing its culture and ideas, and adopting dominant norms and positions, no matter how nonsensical. Chapter 6 looks at the secrets and lies that underpin elite power and control. Some are systematic and organised, and some are simply the lies leaders tell themselves. Chapter 7 shows that leadership has been transformed into a numbers game because numbers can be tallied up in a way that ideas can't. And because elites co-create the game, they can also change the rules as and when they need to.

Part IV focuses on exit strategies and how canny elites survive when it all goes wrong. As Chapter 8 shows, leaders follow far more than they lead. It's safer that way. And when the going gets tough, the tough join the herd. Chapter 9 is all about mobility, because the modern leader must be ready to up and go whenever things start falling apart. Staying ahead no longer means staying on top of one organisation or nation but floating across several.

The final conclusion tries to join the dots and briefly explores what solutions there might be to the current problems of leadership.

### Notes

- 1 IMF: International Monetary Fund; ERM: Exchange Rate Mechanism.
- 2 See the classic elite accounts of Vilfredo Pareto and Gaetano Mosca.
- 3 See the work of C. Wright Mills, in particular his (1956) *The Power Elite*, Oxford: Oxford University Press; or one of G. William Domhoff's many editions of *Who Rules America?*
- 4 PPE: Philosophy, Politics and Economics; MBA: Master of Business Administration.