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Transformation of public action and public governance: the Paradox of the Big Society in the UK

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There is something of an ironic coincidence in writing a brief resume of the changes to UK public service delivery at the time of the death of Baroness Thatcher. As Prime Minister, it was Margaret Thatcher who, using as an example an issue related to social housing, declared in 1987 that there was no such thing as society.¹ On a benevolent analysis her meaning was subject to misunderstanding,² yet the neo-liberal imperative of the 1980's is evident in the 'Big Society' programme of the present UK coalition government. As commentators on social policy, Walker and Corbett point out that '[o]n close inspection the two policy approaches are remarkably similar even though the main thrust of their rhetoric is not'.³ The 'Big Society' is merely the latest label for a political agenda that has its roots in the Thatcher era, and which maintains a '...characteristic expression in antagonism towards the state'⁴ that can be seen in the policy approaches for public service provision. These are policies that underpin a long term strategy for the development of social capital based on the three intermediary goals of community empowerment, social action and the 'opening up' of public services.⁵ In this short paper the discussion concentrates on this third 'pillar' of the Big Society: the 'opening up' of public services and the growth of private and third sector enterprises that provide services to the public on behalf of the government, or to the government itself, and form a new and developing Public Service Industry.⁶

With the exception of those public service elements maintained under universal and public service obligations, the liberalisation and privatisation of the network utilities and heavy industrial sectors has long ago narrowed the idea of 'public services' in the UK to those social services that encompass health, education, social insurance and law enforcement at the national level, or social and community care, welfare and social housing at a more local level. The distinction, applied at the EU level, between Services of General Economic Interest (SGEI) and Social Services of General Interest (SSGI) is however becoming increasingly more difficult to apply. Paradoxically, whilst the 'social' has become the dominant sphere of public service, reflecting the intrinsic nature of residual public sector services, the growth of a new Public Services Industry to provide for delivery introduces an increasing reliance on the 'economic' operator and competition. Public services may still be paid for, or paid for in part, by the taxpayer but the role of public bodies is now more often that of a commissioning organisation with services provided by private or third sector voluntary enterprises, or a combination of these providers, that make up the Public Services Industry.

The 'Big Society' initiative is controversial, generating on the one hand enthusiasm and interest with for example parents, teachers or community groups volunteering their time to set up independent state funded 'free schools',⁷ and on the other hand cynicism and hostility in respect of the opening up of the National Health Service to new private health care providers.⁸ The aims of the initiative are to introduce

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¹ See, transcript of interview for Woman's Own, September 1987, accessed 10/04/2013 at

<http://www.margaretthatcher.org/document/106689>

² Richard Chartres, The Bishop of London (funeral address), see analysis, politics.co.uk, accessed 10/04/2013 at

<http://www.politics.co.uk/comment-analysis/2013/04/17/analysis-bishop-of-london-s-margaret-thatcher-funeral-address>

³ Walker A and Corbett S., The Big Society: A Critical Perspective, accessed 10/04/2013 at <http://www.social-policy.org.uk/lincoln2012/Walker%20P4.pdf>

⁴ See, *ibid*

⁵ Civil Exchange, *The Big Society Audit 2012*, p10, accessed 10/04/2013 at <http://www.civilexchange.org.uk/wp-content/uploads/2012/09/THE-BIG-SOCIETY-AUDIT-2012finalwebversion.pdf>

⁶ See, DeAnne Julius, *Public Services Industry Review*, BERR (2008), p. 5, accessed 10/04/2013 at

<http://www.bis.gov.uk/files/file46965.pdf>

⁷ Although as Higham identifies, the application process for free schools is not well disposed to meeting the needs of disadvantaged communities, rather it '...appears capable of diverting state resources towards more advantaged actors', Higham R., Free schools in the Big Society: the motivations, aims and demography of free school proposers, 2013, *Journal of Education Policy*, accessed 10/04/2013 at <http://www.tandfonline.com/doi/abs/10.1080/02680939.2013.792017>

⁸ Op. cit n5, p. 6

broad public sector reforms in conjunction with policy initiatives to promote local engagement through community empowerment and the encouragement of philanthropic involvement by charities, social enterprise and individuals. These are policy initiatives that highlight a paradox in the Big Society initiative whereby the reforms sought by central government cannot be achieved without this local engagement: yet, the Government has struggled to adjust as an effective enabler for civil society engagement.⁹ The paradox is brought into sharper focus by some £3.3 billion cuts in statutory funding to the voluntary sector that are being introduced in the period up to 2016 and that the government, through the Office of Civil Society, is seeking to mitigate with a £0.1 billion transition fund and the opportunity to compete for public service delivery contracts.¹⁰

Geography, socio-economic and other demographic issues that link to the community empowerment strand of the Big Society initiative further impact on civil society and third sector engagement with public service delivery initiatives. The recent Big Society Audit confirmed that higher socio-economic groups were far more likely to be involved in civic engagement and identified that in affluent areas there is 'a difference of over 25 percentage points in the proportion of people who say that people in the neighbourhood pull together to improve it' as compared to those in the most deprived areas.¹¹ In contrast, for such groups as the homeless, or those with addiction problems, where voluntary sector organisations are 'twice as likely as the average to deliver public services', it is those organisations delivering public services in deprived areas and to disadvantaged individuals, and who are more likely to depend on state funding, who are likely to experience the greatest impact from government cuts.¹²

This is a problem exacerbated by what the Big Society Audit identified as the government's 'implicit bias towards large, private sector businesses in tendering processes' where economies of scale, bidding expertise, and the economic capacity to accommodate payments linked to delivery, result in disadvantage for an under-resourced voluntary sector.¹³ These are circumstances in which the private sector is the main beneficiary in the process of the opening up of public services to the fast developing Public Service Industry (PSI).¹⁴ The value of public service contracts to the PSI in the UK is significant and the UK PSI market amongst the largest and most developed in the world with a 2007/2008 turnover of £79 billion or 5.7 percent of GDP, and nearly double that of France in 2005 or Spain in 2006.¹⁵ The UK health sector, with a 'relatively advanced use of the PSI' attracts the largest slice of PSI spending amounting to around 30 per cent of the total market, but the fastest growth in PSI use over a 12 year period up to 2008, and based on spending at 2007/2008 prices, were education (8.1 per cent) and environmental protection (7.9 per cent).¹⁶

The Big Society initiative is provided for in a broad framework of legislation that includes an Academies Act 2010 and the Education Act 2011; the Health and Social Care Act 2012; the Localism Act 2011; the Charities Act 2011; the Public Services (Social Value) Act 2012; and the Welfare Reform Act 2012. The legislation embodies a progressive potential for public service delivery but the impact of spending cuts, the complexity and costs of bidding in the procurement and tendering processes, and a focus on results based payments militate against the third sector and suggest 'an implicit bias toward large, and therefore mainly private sector businesses in tendering processes.'¹⁷

⁹ Op. cit. n5, p.8, citing National Audit Office, Review (2012), *Central government's implementation of the national Compact*, London

¹⁰ Ibid, para. 14

¹¹ Op. cit. n5, p.16

¹² Ibid, pp. 16-17, citing Cabinet Office, *National Survey of Charities and Social Enterprises 2010*

¹³ Op. cit. n5 p.9

¹⁴ Ibid, p.12

¹⁵ Op. cit. n6, p.11

¹⁶ Ibid, p.16

¹⁷ Op. cit. n5 p.71