

# Big market: how localism and the 'big society' damage independent voluntary action

**National Coalition for Independent Action (NCIA) is a network of individuals and organisations who believe there is a need to defend independent voluntary and community activity. This paper was written as a policy resource to help NCIA activists to analyse the government's ideas for our sector, expressed in the concept it calls 'big society'.**

## BIG CUTS: THE POLICY BACKGROUND

Before the change of government in May 2010, voluntary and community sector organisations were already finding it difficult to respond to increased need for their services because of the recession. They are now also having to contend with billions of pounds of government funding cuts.

Cuts to public services are an ideological decision, not a necessity. Economists including Nobel Prize winner Paul Krugman and former World Bank chief economist Joseph E Stiglitz have shown that cuts will be damaging to the growth of the economy.<sup>1</sup> The ideology behind these cuts is a commitment to the reduction or complete removal of the universal and equal right to healthcare, welfare benefits, education, legal aid and other services. The combined effects of the government's cuts, its privatisation agenda and its 'localism' plans (of which the idea of 'big society' is part) will be reduced public and community services.<sup>2</sup> A pattern is emerging which shows that the less privileged you are, the more the cuts will affect your life.<sup>3</sup> We are returning to an earlier time in British history, when poor people relied on the charity of the rich where they could get it.

The slashing of spending on public services and the voluntary sector is an attack on everything that would be necessary to create the society David Cameron says he wants, in which 'the innovation, the can-do spirit and the imagination'<sup>4</sup> of people drives things. New initiatives and ideas need funding, and running a community centre or a library needs experienced people and resources. Geoff Mulgan, chief executive of the Young Foundation, said: 'Many in the sector fear that the Big Society Bank's funds will be directed only to low-risk established ventures, and steer clear of genuine innovation.'<sup>5</sup>

Dame Elisabeth Hoodless, former chief executive of CSV, Britain's largest volunteering charity, said on Radio 4's *Today* programme: 'There are a lot of very worthwhile programmes – for example volunteers working in child protection as promoted by the minister for children – which are now under threat of closure... It's about one hand not appreciating what the other hand's doing.'<sup>6</sup>



1 John Medhurst and Enrico Tortolano, 'PCS on Privatisation', Public and Commercial Services Union, 2010: [http://www.pcs.org.uk/en/news\\_and\\_events/facts-about-civil-and-public-services/the-truth-about-privatisation.cfm](http://www.pcs.org.uk/en/news_and_events/facts-about-civil-and-public-services/the-truth-about-privatisation.cfm)

2 See NCIA's paper on commissioning and privatisation, 'Voluntary Action under Threat', 2011.

3 NCVO, 'The Big Society – the Evidence Base', July 2010, p11/20: [http://www.ncvo-vol.org.uk/sites/default/files/The\\_Big\\_Society\\_-\\_the\\_evidence\\_base\\_0.pdf](http://www.ncvo-vol.org.uk/sites/default/files/The_Big_Society_-_the_evidence_base_0.pdf)

4 David Cameron in his speech launching the 'big society', 2010: [http://www.conservatives.com/News/News\\_stories/2010/03/Plans\\_announced\\_to\\_help\\_build\\_a\\_Big\\_Society.aspx](http://www.conservatives.com/News/News_stories/2010/03/Plans_announced_to_help_build_a_Big_Society.aspx)

5 *The Independent*, 'Cameron's big society relaunch runs into big trouble', 15 February 2011: <http://www.independent.co.uk/news/uk/politics/camerons-big-society-relaunch-runs-into-big-trouble-2215053.html>

6 *Today programme*, Radio 4, 7 February 2011: <http://www.bbc.co.uk/news/uk-politics-12378974>

Is this apparent contradiction because the government is not actually interested in the level of innovation or effectiveness of what happens in our local areas, but is seeking a justification for not paying for it? Cabinet Office Minister Francis Maude said in response to Hoodless' comments: 'Building the big society is not about pouring taxpayers' money into the voluntary sector. What we are doing is supporting a new culture where everyone gets involved and society stops relying on the state to provide all the answers. I believe too much time is spent asking the taxpayer to prop up traditional organisations.'<sup>7</sup>

### ELEMENTS OF THE 'BIG SOCIETY'

- a small grants fund about the same scale as the previous government's Grassroots Grants programme
- a training programme for community organisers
- a National Citizen's Service to put 16 year olds on volunteering programmes
- a 'big society' day to celebrate volunteering
- private sector mentors for people wanting to set up co-operatives and mutuals to take over services
- the 'big society' bank – money from dormant bank accounts which will be used for loans to social enterprises<sup>8</sup>

### BIG WHAT?

The 'big society' fits with other government policies in that its major concern is increasing the power of businesses and already powerful individuals. The government wants to institutionalise the idea that the preferred way to fund traditionally charitable activity is through 'social enterprise'<sup>9</sup> methods: loans and income generation through contracts, charging or trading, rather than grants or other public subsidies.<sup>10</sup> These are steps towards ending government support for voluntary action completely. In the gap between what the state won't provide, determined by the cuts, and what the private or voluntary sector can't make money from, people will be left to make their own arrangements.

7 *Third Sector*, 'Francis Maude denies spending cuts undermining big society', 2011: <http://www.thirdsector.co.uk/news/Article/1053626/Francis-Maude-denies-spending-cuts-undermining-big-society/>

8 The involvement of the banks in this scheme has been in return for promises by the government that it will not increase their regulation. See *Sky news blog*, 2011: <http://blogs.news.sky.com/kleinman/Post:c63232fc-e28f-4e11-a04f-943ab67c641b>

9 The term 'social enterprise' is what you make it: there is no legal entity or form of governance called social enterprise. This allows a wide range of agencies to describe themselves in this way: co-operative shops in rural villages, consultancy firms 'making a difference,' residential care homes, and the multi-million pound Welsh Water which pays its Chair £150,000 a year.

10 See the recent NHS white paper 'Equity and Excellence: Liberating the NHS', July 2010, which states that the government aims to create 'the largest social enterprise sector in the world'.

The proposals are dismissed by nearly everyone in the voluntary and community sector when they are talking off the record. In public, some organisations engage with the 'big society' as if they think it is a workable concept, lining up to help 'deliver' it, in the hope that they can grab a piece of the ever-diminishing funding pie.<sup>11</sup> By declining to highlight the ideologically noxious thinking behind the 'big society', voluntary organisations are colluding in their own demise, allowing the government to turn all activity that used to be called 'charity', 'voluntary' or 'civil society' into business. The 'big society' is certainly lazy and cynical policy-making (if good things happen the government will claim credit for having 'enabled' people to do things for themselves, if they don't it will be the fault of people for not being enterprising enough and expecting the state to fix their problems), but it is also much worse than that. Matt Scott, Director of the Community Sector Coalition, said: 'If someone wanted to set the sector back not just decades but into the Victorian era they could not do better.'<sup>12</sup>

### LOCALISM: A BIG MARKET OF FRAGMENTED AND UNACCOUNTABLE SERVICES

The 'big society' plans are linked to the government's Localism Bill. Voters will be able to challenge how council services are run, force them to be tendered out and overrule planning decisions. As Matt Scott puts it: 'Local people are to be given the power to instigate local referendums in the hope that they might be persuaded to save local facilities threatened with closure and run them themselves – a poisoned chalice if ever there was one.'<sup>13</sup>

Much has been made of the possibility of services coming under community control. However the 'right to challenge' included in the bill is specifically intended to open up the 'public service market'. In the absence of any genuine 'enabling and encouraging'<sup>14</sup> of communities to take on services (in fact the reverse is happening as local charities and community provision are being decimated by cuts), it is the large corporate charities and the private sector which are taking on this role. *The Independent* reports that 'LSSI, an American firm which manages 13 public libraries across the US, has set itself a target to manage libraries in eight British local authorities by the end of the year and to capture 15 per cent of the market within five years'.<sup>15</sup>

11 An example from Voluntary Action Stoke on Trent: 'Our key aim is to advance and promote the professional development of the Voluntary and Community Sectors (VCS) now known as Big Society. From our dedicated Board of Trustees to our front line team, we have the skills and experience to help VCO's compete and prosper in the 21st Century marketplace.' <http://www.vast.org.uk/>

12 Matt Scott, Community Sector Coalition, 2011: [http://csdirector.blogspot.com/2011\\_01\\_01\\_archive.html](http://csdirector.blogspot.com/2011_01_01_archive.html)

13 Matt Scott, Community Sector Coalition, as 12.

14 David Cameron, in his speech launching the 'big society', said that it would be about government 'enabling and encouraging people to come together to solve their problems and make life better', as 4.

15 *The Independent*, as 5.

Decentralised provision of services means fragmented provision. Private companies are accountable to their shareholders, not to communities. Charities are independent in structure and nature: they are designed to be responsive to their members, who may represent a small interest group. Their trustees have a high level of autonomy and government regulation of them is light. This is appropriate for the services charities have traditionally provided outside of statutory provision. It is not appropriate for delivering services that need to be consistent nationally and answer to the whole population.

NAVCA has called for 'safeguards to ensure that the new mutuals have inclusive governance arrangements, are accountable to local communities and service users and that asset locks are in place'.<sup>16</sup> It is unlikely that the government will enforce this when it is making no such demands on corporations like LSSI. The head of the civil service has ordered an inquiry into the democratic impact of the Localism Bill and the 'big society' because of concerns over accountability.<sup>17</sup> The information commissioner has warned that the accountability of the state will be eroded as more and more services are outsourced 'because everything from children's services to doctors' practices could end up outside the scope of the Freedom of Information Act'.<sup>18</sup>

## BIG GOVERNMENT

The reforms in the Localism Bill do not fundamentally change the relationship between central and local state. Britain remains unlike most European countries in that local government is legally and financially dependent on central government. London School of Economics professor George Jones said in his evidence to the House of Commons Select Committee on Communities and Local Government: 'Ministers are essentially promoting sub-localism, taking powers from councils allegedly to give to 'Big Society' actors below the local authority level, but ineluctably sucking up key control functions to Whitehall at the same time.'<sup>19</sup>

## BIG BIGOTRY

The 'big society' project has heralded the return of a no-nonsense language of judgement, prejudice, patronising philanthropy and compulsion, in which individuals, groups of people and whole geographical areas are branded problematic by the government and required to change. The government has spoken of 'the crime, the abuse, the incivility on our streets...the broken society'.<sup>20</sup>

There is an emphasis in policy papers on the importance of 'Britishness',<sup>21</sup> a concept which is never defined, but

seems to be something to do with rediscovering this civility, responsibility and positive attitude which is said to have been lost, particularly in 'deprived' areas.

One element of the 'big society', the idea for a National Citizen Service for young people, was initially presented as a form of national service to 'help prepare young people for adult life, as well as bringing Britain together in one shared, classless, patriotic mission'.<sup>22</sup> The actual requirement for a week of military training didn't survive into the 2010 version of the policy, but the programme was described as having 'the same spirit as national service'.<sup>23</sup> Young people who have been designated 'the hardest to reach', which to this government is synonymous with having 'anti social' tendencies, 'will not be given any dispensation for unacceptable behaviour... hard to reach young people should be encouraged to take part in this programme...on a level playing field with everyone else'.<sup>24</sup> The government knows before it begins which people fit its image of acceptable, civically responsible Britishness and which don't.

## BIG INEQUALITIES

Another purpose of the 'big society' is to build 'a fairer, richer, safer Britain, where opportunity is more equal and poverty is abolished'.<sup>25</sup> However, the proposals ignore the effects of existing, and growing, economic inequality in society. Andrew Climo, CEO of Community Leaders, said: 'At present the government has not designed or implemented any policy that can be seen to address poverty in any profound way: higher taxes, significantly reduced public services and joblessness are having a major impact in raising the incidence of poverty'.<sup>26</sup>

The proposals pay no attention to long-term co-operation or equality of representation between communities. There are no safeguards to prevent less confident voices being drowned out by the more vocal. The Office for Public Management said that some communities might become engaged in the way the government imagines, but that 'it is harder to see how such a movement will evolve in communities with low levels of civic participation [and] deep levels of social exclusion'.<sup>27</sup>

The New Economics Foundation said: 'If change is created at the local level only, it will not survive in a system where inequality is endemic. There need to be structural changes to the economy, to prevent the concentration of wealth and power in a few hands, leaving others with little or none...Communities will not be 'mended' unless we build a broader economy'.<sup>28</sup>

22 Conservative Party, 'It's Time to Inspire Britain's Teenagers', 2007. Quoted by Tania de St Croix in *Struggles and Silences: Policy, Youth Work and the National Citizen Service*, 2011.

23 Conservative Party, 'National Citizen Service', 2010. Quoted by Tania de St Croix, as 22.

24 Conservative Party, 'National Citizen Service', 2010, p11.

25 David Cameron, as 4.

26 NWCAN e bulletin, March 2011.

27 Office for Public Management, 'The New Neighbourhood Army', December 2010, p1.

28 New Economics Foundation, 'Ten Big Questions about the Big Society', June 2010: <http://www.neweconomics.org/publications/ten-big-questions-about-the-big-society>

16 NAVCA evidence to the Public Administration Select Committee Inquiry into the Big Society, p7-8.

17 *The Guardian*, 'Big society plans raise concerns for parliamentary democracy', 21 January 2011 <http://www.guardian.co.uk/politics/2011/jan/21/big-society-parliamentary-democracy>

18 *The Guardian*, as 17.

19 Quoted on LSE blog: <http://blogs.lse.ac.uk/politicsandpolicy/tag/localism-and-the-big-society/>

20 David Cameron, as 4.

21 E.g. Conservative Party, 'National Citizen Service', 2010, p10.

## BIG DEMANDS ON ORDINARY PEOPLE

Smaller, wholly or mainly volunteer-run voluntary sector organisations and community groups are being told the 'big society' is for them: they can expand, entrepreneurially, into delivering public services.

Quite apart from the fact that these groups are unlikely to be able to compete with multi-million pound corporations in the public service market (there is to be no special treatment for the voluntary sector, just as there is to be none for immigrants or the 'hard to reach', as that would spoil the 'level playing field' that allows the already privileged to dominate), most of these groups have no interest in delivering public services. A Third Sector Research Centre working paper found that most grassroots community groups saw themselves as an 'important response to needs that were currently unmet either due to lack of resources, or the failure of the state and other agencies to identify or address need'.<sup>29</sup> Getting involved in a local group to improve your community is different from taking responsibility for a social enterprise and bidding for contracts. People's time and energy for civic involvement is finite: if it is diverted into delivering essential services which the government should be providing, less of it will be available for them to express their ideas about what they want to see instead.

Matt Scott said: 'Real devolution of power by communities would go beyond the opportunity to call for a referendum...or take over the running of a building... if localism were to happen from the grassroots upwards we would see a rich diversity of informal community action, which inevitably takes years and costs money. The more likely scenario is that local community action will continue to decline, as always happens at times of economic hardship because the rational choice is to use one's time to seek paid work, not to volunteer.'<sup>30</sup> Historically, vibrant community activity (as well as lower levels of inequality and a healthier population) have been seen most in times of high government investment in local public services.<sup>31</sup> Public provision creates spin-off voluntary sector provision and informal community activity: libraries, educational institutions and community centres funded by the state provide a focus for people to gather and work together.

## BIG CONTROL

The 2008 Conservative Party green paper *A Stronger Society* quoted the architect of the welfare state, William Beveridge: 'People and organisations are...more "vigorous and abundant" when given the freedom to act on their own initiative rather than when ordered from above.'<sup>32</sup> It is difficult to see how cuts to their

29 Third Sector Research Centre, 'Understanding the distinctiveness of small scale, third sector activity', Working paper 33, May 2010.

30 Matt Scott, Community Sector Coalition, as 12.

31 See Simon Szreter, 'A central role for local government? The example of late Victorian Britain', 2002. <http://www.historyandpolicy.org/papers/policy-paper-01.html>

32 Quoted in Conservative Party green paper, 'A Stronger Society: Voluntary Action in the 21st Century', 2008.

independent sources of funding and the exhortation to deliver services determined by the government will help community groups and organisations to do this. The Carnegie Commission said: 'Civil society associations can never be just providers of services...civil society thrives best when it has an independent and confident spirit, when it is not beholden to the state or funders, and when it is not afraid to make trouble.'<sup>33</sup>

Why then are pressure groups and trade unions not discussed as part of the government's vision of vibrant community activity? They are not just absent from the 'big society' picture, they are being attacked.<sup>34</sup> The government seems intimidated by the plurality of community activity, some of which is unpalatable to it. This plurality is part of what makes a free society. Real debate by ordinary people is what distinguishes a strong democracy from a weak one.<sup>35</sup>

Community groups which emerge for other reasons than to deliver services are a way for people with less power in society (most of us) to look out for each other and represent ourselves. If we feel we have no voice, the result is increasing social strife in communities. This is why, historically, more enlightened governments and charitable trusts have given informal, needs-led local groups money and support which did not compromise their independence.

It is not just individual groups and services which are in danger of disappearing as part of the 'big society', privatisation and cuts. It is the recognition of and support for a whole sphere of human activity: the space in which people are free to do things, large or small, not because the government promotes them or because they will generate profit, but to change the world.

## JOIN THE ACTION

If you would like to know more about NCIA and get involved, please have a look at our website:

[www.independentaction.net](http://www.independentaction.net)

You can sign up to our newsletter there and find more of our policy papers.

Contact us at: [info@independentaction.net](mailto:info@independentaction.net) if you have a story to tell about independent action or would like to be interviewed for one of our projects.

33 Carnegie UK Trust, 'Making Good Society, Final Report to the Commission of Inquiry into the Future of Civil Society in the UK and Ireland', 2010, p28.

34 TUCG, 'Unions vow to fight fundamental attack on trade unionism', 6 October 2010: 'The Trade Union Co-ordinating Group today denounced the CBI's recommendations for 'modernising' the laws relating to industrial action as an attack on trade unionism which if enacted would undermine the fundamental human rights of workers.' [http://www.fburegion6.co.uk/index.php?option=com\\_content&view=article&id=625:unions-vows-to-fight-fundamental-attack-on-trade-unionism&catid=1:latest-news&Itemid=50](http://www.fburegion6.co.uk/index.php?option=com_content&view=article&id=625:unions-vows-to-fight-fundamental-attack-on-trade-unionism&catid=1:latest-news&Itemid=50)

35 See Frederick Powell, *The Politics of Civil Society*, Policy Press, 2007, p4.