

## **Big society or civil society? A new policy environment for the third sector**

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## The legacy and the election

The new coalition government have inherited a significant and a challenging policy legacy from the previous Labour governments of the early twentieth century. There is no doubt still much to be written about the third sector policy environment developed by New Labour, but already it has been heralded as introducing a new spirit of partnership with government (Lewis, 2005), founded on an extensive range of policy levers described by Kendall (2009) as ‘hyperactive mainstreaming’, and leading to a new found ‘strategic unity’ across the third sector based on a closer commitment to policy engagement (Alcock, 2010a). There has been new support for the sector, but also new problems identified, not the least the shift in public support towards contracts for services with all their attendant regulatory and accountability frameworks, leading some to fear that independence could be challenged by incorporation and isomorphism (Smerdon, 2008). But the new levels of support are significant indeed, with the NCVO Almanac revealing that by 2008 just under £13 billion, around 36 per cent, of total income for charities in England and Wales was coming from statutory sources (Clark et al., 2010: 43). And one of the key challenges for both the new government and the sector will be responding to the pressures to cut this spending within the new climate of public sector austerity.

The legacy of the Labour years was certainly a higher profile for the third sector in political debate and policy practice. This might have been expected to lead to a high profile for the sector too in the campaigning for the 2010 general election. This challenge was taken up by many of the leading sector agencies, who produced their own ‘manifestos’ for the election and sought to talk-up the role that the sector could play in meeting a range of policy priorities. Research at the Third Sector Research Centre (TSRC) has been following these campaigning strategies and also the commitments made by the major parties to the sector. In the case of the latter the evidence suggests that the third sector was not as big, or as controversial, an election issue as some might have hoped, or feared.

All the major parties stressed the important role of the sector in delivering public services and the need to improve the contractual basis for this with longer term funding and an independent Compact to oversee relations. All supported too encouragement of volunteering and giving, both individually and through corporate giving and work-place volunteering. And all emphasised too the importance of smaller, community-based organisations, alongside the larger more service focused charities, recognising that the former had a vital role to play in promoting and supporting community empowerment.

There were some important differences though. The Liberal Democrats proposed reform of gift aid to restrict this to a single rate of 23% and proposed to devolve more power over funding and policies to local authorities. Both Labour and the Conservatives supported the long campaigned for Social Investment Bank for the sector, utilising the balances in dormant bank accounts – although the Conservatives promised to give this a new name, the Big Society Bank. This was linked to a major election theme from the Conservatives on the *Big Society*, which amongst other things was intended as an endorsement of the positive and proactive role that voluntary action and social enterprise could play in promoting improved social inclusion and ‘fixing Britain’s broken society’, although in practice it was reduced in profile as the campaign developed in the light of feedback that people were not clear about what it meant.

## Coalition policy building

We now have a Conservative and Liberal Democrat Coalition in power, however, and so it is their manifestos and broader policy plans that are likely to be most influential on future policy development. In fact the Liberal Democrats had not said much in the run-up to the election about third sector policy, although they have had a longstanding commitment to the promotion of community-based social action and to the devolution of political and policy making powers to localities and neighbourhoods and away from central government. This is likely to chime with more recent Conservative thinking on third sector policy and practice. They too have been championing community action, and see collective action outside of the public realm as the key feature of their Big Society model, which they contrast with the big state approach of Labour's top-down bureaucracy (Conservative Party, 2010).

Conservative Party policy on the sector was being developed some time before the 2010 general election, however, with an influential *Policy Green Paper* published in 2008 (Conservative Party) in which they talked about establishing a new Office for Civil Society and outlined twenty policy pledges, including simplification of Gift Aid, support for volunteering, more competitive markets for public contracts, and an improved version of the Compact. These and other policy initiatives outlined in the Big Society paper now dominate the developing policy portfolio of the new coalition government, which has resurrected the Big Society idea and adopted in large measure the policy plans that the Conservatives had been developing.

Shortly after taking office the new government moved to outline their policy plans for the third sector, with speeches from the Prime Minister and Deputy Prime Minister on 18 May 2010, which aimed to put "*the Big Society at the heart of public sector reform*" and secure this as a lasting legacy for the country. The Conservative Shadow Spokesman, Nick Hurd, was appointed as Minister for Civil Society, under Francis Maude at the Cabinet Office. Baroness Warsi was given the Cabinet brief in the House of Lords, and a place in the Lords was also found for Nat Wei, a prominent Big Society supporter, who became a government advisor. This was followed by a retitling of the Office of the Third Sector (OTS), which has become the Office for Civil Society (OCS), as promised two years ago.

Following this the coalition have published more detail about their agreed policy programme and a statement about 'Building the Big Society' (Cabinet Office, 2010). The policy programme has since been incorporated into a work programme for the Cabinet Office and was outlined in speeches by Francis Maude on 9 June 2010 and by Baroness Warsi in the Lords on 16 June 2010. The government's plans re-affirm their Big Society idea, which is clearly intended to become a leitmotiv for a recasting of the relationship between the state and civil society (and also the market?). Within this rather general rhetoric however there are some specific policy initiatives.

- Government will make it easier to set-up and run charities, social enterprises and voluntary organisations and will support the creation and expansion of these. A Cabinet Office/Business, Innovation and Skills taskforce is to be established to explore options.
- Public sector workers will be given a new right to form employee-owned co-operatives to deliver what are currently public services.

- Unnecessary 'red tape' surrounding government support will be removed, and organisations delivering public services will be able to fix market prices and generate surpluses, to create a 'level playing field' within the commissioning process.
- A 'Big Society Bank' will be established, funded by the money lying in dormant bank accounts, and will operate as a new source of loan funding for the sector.
- A range of measures will be introduced to encourage charitable giving and philanthropy.
- A National Citizen Service will be established to give 16 year olds the chance to develop skills through volunteering.
- A Big Society Day will be designated to encourage volunteering and involvement in social action, and regular community involvement will become a key element in civil service staff appraisals (transforming the 'civil service into a civil service').
- A new generation of 5000 community organisers will be trained and support provided for the creation of neighbourhood groups, especially in the most deprived areas, funded initially with resources from repaid Futurebuilders loans, but in time expected to become self-funding.
- More power will be devolved to local government, and driven down further into neighbourhoods and communities.

There are a number of significant policy commitments here, and they certainly give a lie to any suggestion that third sector policy is not a priority for government or that the Big Society ideas had been dropped or diluted during the election and in the process of coalition building. Some are not new, and indeed build on previous government policy planning, such as the Big Society Bank, transfer of public services to new worker-led organisations, and simplification of commissioning. Some will require public support, both through direct funding and officer time, such as supporting the creation of new organisations (including the taskforce), and establishing a citizen's service and Big Society Day. Most significant in policy terms though is that most are rather general in their scope and aspirations, much in practice will depend upon exactly what is planned and (more important still) how it is to be delivered.

The difference between policy planning and policy implementation is a well-recognised focus for policy analysis and critique of course; and it would also be unfair to expect a new government (especially a newly formed coalition) to come into power with a detailed blueprint for a whole new policy programme in its pocket. Nevertheless it is how policy aspirations are translated into practical action that will concern analysts most, and more pertinently perhaps will engage practitioners in the sector. Cameron's hope that the Big Society will be the kind of legacy that could be compared with the twentieth century welfare state is a big ask, in particular as it will be expected to flourish at a time when austerity within public finances is greater than throughout much of that post war welfare era.

## The Big Society

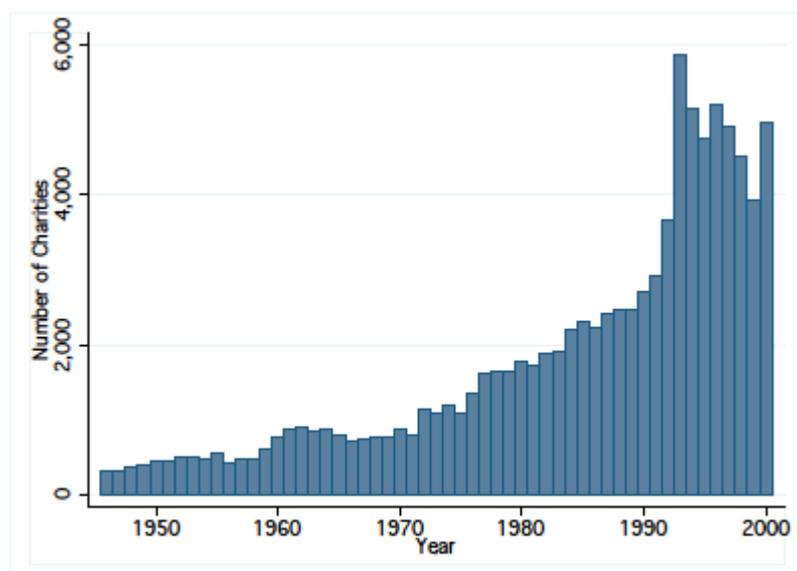
Support for the Big Society idea does not just come from government, however. Websites and blogs have been springing up to explore and expose the concept and suggest how it might be translated into action. Nat Wei, the new House of Lords advisor has established a Big Society website, which expands on ideas which he outlined in his maiden speech. He outlines three ideas which underpin the Big Society. The first is the promotion of organised neighbourhood action, and the second a shift towards citizen-centred services building on the notion of co-production (or co-creation in business circles). The third is an analogy of a coral reef, where the coexistence of the sea-bed (basic state services), the coral growths (social and private enterprises) and the fish (citizens and communities swimming round feeding on these) is presented as a metaphor for the Big Society.

More detailed discussion has come from the 'red Tory' think tank ResPublica. Its creator Philip Blond (2009) has talked about an *Ownership State*, in which 'civic associations' replace public bodies in a transfer of ownership of welfare services to an extended third sector, and has argued that it is the role of policy makers to facilitate and support this re-mixing of welfare provision. This is elaborated further in a later paper from Singh (2010) called *The Venture Society*, which explains how local 'social labs' and 'tablets' could provide support for the creation and development of grass roots entrepreneurship, citing the success of organisations like UnLtd. The titles of these new ideas provide an interesting new discourse on the nature of social organisation and welfare policy – the Venture Society, the Ownership State and the Big Society. However, they are rather thinner on detail about how these new organisations will be created and sustained or evidence about where they have succeeded in delivering long term improvements to public services practice.

More evidence is provided by some others, somewhat more independent of Conservative Party policy making. Chanan and Miller (2010) draw on a long history of experience of community development practice to argue that well trained and publicly supported community development workers would be needed to make the community engagement aspirations of the Big Society work. And Demos have published research, funded by the Barrow Cadbury Trust, on two community neighbourhoods in Birmingham (Castle Vale and Balsall Heath), which with a long term commitment to local self-improvement have been able to regenerate the local area and increase citizen engagement (Wind-Cowie, 2010).

What both of these more measured analyses reveal is that community engagement and regeneration can be achieved; but that it is both a long term and potentially expensive investment; and this may prove to be a critical contradiction within the Big Society philosophy. The hope that charities, social enterprises and voluntary organisations can step in to replace a reduced public welfare provision, hard hit by the austerity needed to rebalance the public finances, is based to some extent on the belief that public welfare provision has 'crowded out' voluntary action; but there is no evidence to support this claim, and much to refute it. For instance as the graph below, constructed from TSRC's long term analysis of charity registration, reveals the post war welfare state heralded a growth not a decline in charitable formation, although changes in regulatory criteria resulted in some turbulence in the data in later years.

Figure 1 – Growth in Charity Foundations from 1945-2005<sup>1</sup>



These issues have begun to be picked up by the leading third sector agencies in their responses to the new Big Society policy agenda. Naturally sector bodies are keen to work with the new government to make the most of the Big Society agenda; but as NCVO point out this will continue to require positive engagement and support from government (NCVO, 2010). And Stephen Bubb of ACEVO has argued that detailed policy planning will be needed for the Big society to move ‘from romanticism to reality’ (Bubb, 2010). There are early suggestions, however, that levels of engagement and support may be reduced rather than enhanced, with Futurebuilders now ‘closed for business’, and Capacitybuilders and V (the youth volunteering service) under review.

Given the pressure on the public finances it might be expected that some of the extensive horizontal support programmes developed during the period that Kendall (2009) described as ‘hyperactive mainstreaming’ should be rolled back by the new government. However, without more detail on alternative policy plans and more robust evidence on how these will work to engage citizens and promote civil society, it is difficult to judge how extensive and sustainable the Big Society will be likely to be over the coming five years or more.

This will also be likely to provide challenges for the third sector and those representatives and advocates who wish to promote it. One significant challenge here could be the rejection of the term ‘third sector’ itself, which the Prime Minister himself had suggested should be banned. Removing the third sector creates a space for the Big Society perhaps, but only rhetorically. The new term for the government office is the Office for Civil society. Civil Society has a longer and wider pedigree of course. NCVO now publish their annual statistical Almanac on the UK Civil Society (Clark et al., 2010), and many scholars have written about civil society as a space for independent social action (see Deakin, 2001). But for most of these commentators civil society is not a synonym for the third sector,

<sup>1</sup> With thanks to Peter Backus for constructing Figure 1.

but is a rather different theoretical concept focusing on how we conceive of relations rather than how we classify organisations – Evers and Laville (2004, Introduction p.6) once argued that there can be no ‘civil society sector’.

Despite what some in the new government may think, the third sector is not just a New Labour creation, as the work of the International Society for Third Sector Research (ISTR) and the analysis of scholars like Evers and Laville (2004) reveal. What is more, what the third sector did provide in the UK was a unifying framework for a wide range of organisations and interests, including charities, voluntary and community groups, social enterprises, co-operatives, faith groups and so on, who previously had been more politically divided and ineffective – what I have referred to before as a ‘strategic unity’ (Alcock, 2010a).

This strategic unity is likely to be challenged now by the reductions in support for the sector and the potentially divisive impact of further transfer of public services to agencies created or supported specifically to replace state provision. But in any case there has always been as much that divides the third sector as unites it – still affectionately referred to by some as Kendall and Knapp’s (1996) ‘loose and baggy monster’. Without the unifying concept of a distinct sector and with reduced horizontal support for shared capacity building and support, there is a danger that unity will quickly fracture. The new government now sometimes refers to the sector as ‘charities, social enterprises and voluntary organisations’. The problem with a list-based approach to definition is that there is always somebody missed off the list. If this leads to some being missed off the policy agenda too, then one of the consequences of the Big Society could be the heralding in of a more divisive third sector politics, which may not be what all policy makers or practitioners had in mind in invoking a new era of community engagement.

## Devolution

There is one final postscript to add to the new Big Society policy agenda however. That is the reminder that this is now an English policy environment. Since the creation of the independent administrations in Scotland, Wales and Northern Ireland under Labour at the turn of the century, third sector policy has been devolved. The Office for Civil Society therefore promotes and supports only the English third sector. Different offices have been established within the devolved administrations, with different structures and different policy programmes – for instance, in Northern Ireland, there is still a split between voluntary and community sector policy and support for social enterprise. Little analysis has been taking place of the impact of devolution on third sector policy; but in a recent discussion of this I argued that so far there was in practice much policy consistency across the new administrations (Alcock, 2010b). However, this was over a period in which Labour political control had dominated in all three regimes. Now there is a greater political divide between the UK coalition government and those in power in the devolved parliaments and assemblies. The Big Society may turn out to be a peculiarly English phenomenon therefore.

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## About the Centre

The third sector provides support and services to millions of people. Whether providing front-line services, making policy or campaigning for change, good quality research is vital for organisations to achieve the best possible impact. The third sector research centre exists to develop the evidence base on, for and with the third sector in the UK. Working closely with practitioners, policy-makers and other academics, TSRC is undertaking and reviewing research, and making this research widely available. The Centre works in collaboration with the third sector, ensuring its research reflects the realities of those working within it, and helping to build the sector's capacity to use and conduct research.

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## Theory and Policy

It is essential that the Centre's research is informed by a strong theoretical and conceptual analysis of the sector and the policy environment within which it is situated. Theoretical analysis of the sector is not well developed in the UK, in part because of the applied focus of much existing research. TSRC will contribute to ensuring that difficult theoretical issues are articulated and explored. Critical understanding of the policy environment is also essential, for it determines much of what happens within the sector. TSRC is co-funded by the Office of the Third Sector which is responsible for developing and delivering policy in England. The Centre's research will help inform this policy development, but will also make that policy process itself the subject of critical review. We need to know 'what works', but we also need to understand who decides 'what matters'.

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