‘BIG SOCIETY’: HOW THE UK GOVERNMENT IS DISMANTLING THE STATE AND WHAT IT MEANS FOR AUSTRALIA

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This is the first of two planned essays on ‘Big Society’, ahead of CPD’s ‘Big Society’ report, due for release in late April 2012.
Bush declared war on terror, Blair declared war on crime and it’s like Cameron has declared war on the public sector.¹

Thinking big

Think tank researchers seek to inform public policy. Our websites proudly advertise how our analyses and ideas have been adopted by governments. But few think tanks can claim to have triggered a historic reconfiguration of public, private and community sectors: the “biggest shakeup of what the state provides in half a century.”² This essay traces the rise of ‘Big Society’, an idea championed by UK think tank ResPublica and its director Phillip Blond, and examines the significance of this idea and its potential impact in Australia.

David Cameron was elected British Prime Minister in May 2010. Having formed government Cameron released his ‘Big Society’ manifesto, which promised to “redefine the role of the state as a provider of public services.”³ Communicated as a strategy to empower communities, encourage a diversity of service providers, and foster volunteerism and mutualism, the ‘Big Society’ changes have been accompanied by an £81 billion reduction in public spending including massive local government cuts, reducing the number of staff in government agencies and departments by 700,000 over four years and dismantling the National Health System. These changes have galvanised an energetic national debate about the role of the state in British society. By contrast, the size, role and function of the public service receive very little attention or debate in Australia. Our research shows that there are compelling reasons to invigorate this debate.

‘Big Society’ ideas and their origins

‘Big Society’ was developed by Phillip Blond, a theologian, lecturer and founder-director of the conservative UK think tank ResPublica. Blond was an advisor to David Cameron before the 2010 election and published his prescriptions for downsizing the state in his book Red Tory: How the left and right have broken Britain and how we can fix it.⁴

The ideology underlying ‘Big Society’ echoes former Prime Minister Margaret Thatcher’s relentless rejection of the welfare state. Like Thatcher, Blond’s ideas are a reaction to his perception of ‘passive welfare dependence’. ‘Big Society’ appeals to ‘strict parent’ rhetoric⁵ and asserts that citizens have a “moral obligation to undertake voluntary activity in the community and to take responsibility for their own individual welfare needs.”⁶
You know, there is no such thing as society. There are individual men and women, and there are families. And no government can do anything except through people, and people must look to themselves first.7
Prime Minister Margaret Thatcher, 1987

Unlike Thatcher, who maintained a strong state to enforce market mechanisms, Cameron advocates a transfer of risk and responsibility to citizens, a stance that has been described as ‘anti-state’.8 In this sense, Cameron’s philosophy is in line with the neoliberal idea of ‘private sector primacy’, which CPD fellow Ian McAuley describes as the notion that “the private sector is always to be preferred to government, regardless of evidence or argument.”9

Community is a central element of the ‘Big Society’ ideology. Blond and other ‘Big Society’ champions invoke the concept of the ‘little platoon’, which was first described in 1790 by Edmund Burke, the ‘father of modern conservatism’. ‘Platoons’ (an oddly militarist expression) of community members, Burke argued, are the “cornerstone of loyalty to nation and humankind” and serve to organise self-directing communities. Community involvement in directing and controlling local services was also part of George Bush’s “compassionate conservatism” speeches during the 2000 US Presidential campaign. Like Blond, Cameron and Thatcher, Bush advocated “competition by private groups for the provision of public services” and sought to “usher in the responsibility era.”10

The idiosyncratic blend of values woven to craft ‘Big Society’ also resonate with the ‘Third Way’, a doctrine that embraces the value of community, a commitment to equality of opportunity, an emphasis on responsibility and a belief in accountability.11 Third Way politics have been embraced by former British Prime Minister Tony Blair, US President Bill Clinton, German Chancellor Gerhart Schröder and former Labor opposition leader Mark Latham.12

‘Big Society’ apparatus in action

While critics have described the ‘Big Society’ as a vague grab bag of ideas, their implementation has occurred with purpose and a break-neck pace during the first term of the Cameron Government, and at an unprecedented scale. Cameron was quick to establish the Office of Civil Society and an annual Social Action Day, review the legislation related to charities and local communities as service providers, create the ‘Communities First’ fund and Big Society Bank to fund local initiatives and launch a national Citizens Service volunteering program for tens of thousands of 16 year olds.

At the heart of the ‘Big Society’ apparatus is ‘commissioning’ – the process of tendering the provision of community services to ‘any willing provider’. ‘Big Society’ starts from the premise that services should not be delivered by a government entity unless a compelling case can be established13. Instead, public services should be open to non-government providers in order to end the ‘state monopoly’.14 This logic has been applied
to the widest conceivable range of services including parks, libraries, post offices, hospitals, welfare-to-work employment programs, prisons, health services, housing, planning and schools. In addition to conventional for-profit and not-for-profit organisations, the commissioning process has encouraged tenders from public-private hybrids including employee-owned cooperatives or mutuals, new ‘neighbourhood councils’ and ‘spin-outs’¹⁵, government agencies that have evolved into social enterprises or joint ventures.

The expanded role for non-government entities in service delivery includes ‘social impact bonds’, a performance-based investment whereby corporations, not-for-profits and ‘social investors’ receive a dividend on the basis of results and reduced costs. Investors in a post-release prisoner program, for instance, will receive a dividend of up to 13% if the program reduces the rate of re-offending by 7.5%.¹⁶ If the target isn’t met, the capital is surrendered.

Reef, fish and sharks

The Cameron government has been accused of taking funding away with one hand while promising, but failing, to deliver with the other. The Big Society Bank, for instance, promises funding for non-government service delivery enterprises, but this funding is dwarfed by the funding cuts experienced by government agencies, local government and not-for-profit organisations, leading MP Lisa Nandy to label it ‘the big con’.

“The coalition wanted to end the Big State, and bring in the Big Society. We are ending up with neither.”¹⁷

One of the stated objectives of ‘Big Society’ is to maximise the diversity of organisations that provide community services. In his maiden speech, Cameron’s Big Society adviser Lord Wei compared ‘Big Society’ with a “coral reef” where public, community and private sector providers (the ‘fish’) “collaborate in the design and delivery of complementary services and developing innovative service models.”¹⁸ In Wei’s metaphor, local citizen groups (the fish) “extend, vivify and shape the landscape.” The ‘Big Society’ changes have, instead, favoured corporations and the largest not-for-profit organisations. Smaller charities are “squeezed out” of traditional arrangements, which negatively affects the work they do in their local communities.¹⁹

Outright abuses of charities are also possible where the commissioning process creates a tiered arrangement for service funding and delivery. ‘Prime contractors’ tender to deliver services on a large scale then sub-contract to local providers who, in turn, can engage voluntary community groups to deliver aspects of these services such as drug and alcohol counseling, training or other employment support services. The local providers and smaller community groups that depend on funds through this arrangement are particularly vulnerable. Many UK charities now fear bankruptcy, having received no business from their partner prime contractors, sparking complaints that they have been cynically used by private companies as ‘bid candy’ to secure contracts.²⁰ There have also been claims that private firms “cherry-pick” the easiest
cases, leaving those most in need to the cash-strapped charities.21

‘Big Society’ has not favoured the ‘fish’. In the UK, community-based non-government organisations rely on local government funding which, in turn, is derived from the national government. Local government funding cuts have impacted deeply on the non-government sector, leading many to shed staff and programs, or to close. As a result, many communities have significantly reduced access to services including planning, housing, libraries, museums, transport services and infrastructure, environmental services such as refuse collection and recycling, child protection and youth programs, public toilets and swimming pools.22

‘Big Society’ doublespeak

These and other aspects of ‘Big Society’ have generated a public and political debate that is unimaginable in Australia. The dynamic relationship between the public, community and corporate sectors as providers of community services is infrequently debated in Australian television and print media news. By contrast, ‘Big Society’ and the issues it raises are the subject of sustained, detailed and often heated debate in the UK. A google news search for ’Big Society’ returns approximately 19,000 results. Since August 2011, CPD has collated more than 400 of these articles and other instances of commentary and analysis. Whereas this discussion occurs in obscure journals, columns and blogs in Australia, it dominates the mainstream media in the UK.

It is a highly polarised debate, characterised by elaborate public relations strategies, emotive appeals and a constant tension between those ideals and their implementation.

‘Big Society’ has a carefully crafted rhetorical foundation. Few people would refute the assertion that society is a good thing. Who wouldn’t want a bigger one? Beneath this simple logic, the ‘Big Society’ mantra promises outcomes that are embraced widely and deeply: decentralising power from government and dispersing it more widely to communities and individuals; allowing citizens more control over their lives; encouraging cooperation and initiative; inclusive governance and coproduction (collaboration between providers and users in service design or delivery). Few critics of ‘Big Society’ question these ideals. In fact, many support them wholeheartedly. But the impacts of ‘Big Society’ programs have contradicted and undermined these ideals. This stark contrast is captured in the table below.
Rhetoric | Impacts
---|---
Provide "more of what you want" (i.e. services). | • £81 billion cut in public spending (2010-2013)
• 500-700 thousand public service jobs to go
• Government agency budgets cut 19% on average
• National Health System dismantled
• 60% budget cuts for new public housing

Enable a diversity of service providers including new entrants to reduce reliance on government services and increase the voluntary sector's involvement. | • Corporations and the largest charities have dominated the commissioning process: 35 of 40 Work Programme (employment agency) contracts were awarded to large corporations such as Serco and A4e.

Foster localism; more freedom and local control. | • Local government budgets were cut by more than a quarter in 2010-11 resulting in widespread cuts to programs and staffing of 10-20% and flow-on impacts on volunteer support and coordination.

Support community initiatives: “The Big Society bank will lend money and grant money to organisations who want to expand and grow and do brilliant things.” | • A ‘tidal wave’ of community sector cuts between £3-5 billion is expected between 2012 and 2014.
• 2,000 charities experienced funding cuts of £110 million in 2011.

Encourage volunteerism and a more 'socially active' Britain: “Citizens have a moral obligation to volunteer and fulfil their civic duties.” | • National Citizenship Service for 30,000 teenagers in 2012, increasing to 90,000 by 2015. When it was initially proposed, this program was to be compulsory.

Enable communities to devise and establish local ‘free’ schools. | • £55 billion funding cut to school refurbishment program.

Ensure accountability through a ‘payment on results’ approach. | • Southern Cross, a corporate-run chain of aged care facilities, received public funding, realised a profit of £600 million then collapsed, leaving 30,000 people at risk.

Leverage philanthropy and social investment. | • In 2010, only 10 organisations invested ‘meaningful injections’ of capital into the existing ‘social investment market’; just 6 contributed 90% of the total £165 million, compared to the much larger footprint of the community sector which had an income of over £35 billion in 2007.

| Table: 'Big Society’ rhetoric and impacts

‘Big Society’ in Australia

What does this critique of changes occurring in the UK mean here? CPD’s analysis of political changes in the UK is prompted by our interest in the parallels with and possible implications for Australia. Keen observers of Australian political discourse will already have recognised elements of contemporary domestic politics in the account offered to this point. The connections are tangible.

Before describing the significance of the ‘Big Society’ program for Australia, it is important to note three differences between the UK and Australia. First, UK governments tend to spend much more on the public sector than Australian governments. At the time of David Cameron’s election, the UK spent 47% of their annual gross domestic product (GDP) on the public sector compared to Australia’s 35%. Second, the UK does not have...
state government. Whereas state government is very actively involved in the delivery of public services in Australia, the UK government devolves funding and responsibility for the delivery of many services to local government. Cutting funding to local government means cutting services at the level closest to community members. And third, the economic circumstances of the two nations are very different. Budget cuts in the UK are framed as ‘austerity measures’ and aim to reduce a deficit of £245 billion over 5 years. The UK’s total debt (including the debts of government, households, and financial and non-financial institutions) exceeds 500% of GDP.28 Australia, by contrast, has a modest level of government debt and expects to return to a surplus within two years.

It is also important to consider the implications of ‘Big Society’ in the context of a vigorous cross-fertilisation of public sector policies between the two nations. This is facilitated when Prime Ministers exchange staff and when think tanks in each country look to their counterparts in the other for ideas and analysis. Public policy observers are familiar with this revolving door and with the ‘copy cat’ relationship between governments of both conservative and Labour/Labor leanings in Australia, the UK, Canada, New Zealand and the USA.

Elements of the ‘Big Society’ are present in Australia. Many of these elements are nothing new: anti-big government sentiment has been a feature of public life in Australia since Federation. Many formerly government-managed services have been privatised and outsourced for some time, and public sector cuts are generally framed in terms of responsible fiscal management. What is new is the nuanced and misleading rhetoric used to justify changes in terms of widely-held values that are either unrelated or inversely related to these changes: appealing to widely-held values about citizen empowerment, co-production, diversity and community autonomy while implementing changes that transfer public wealth to corporations, disempower non-government organisations and weaken the public sector. This rhetoric and its consequences will be explored in CPD’s forthcoming ‘Big Society’ report.

Phillip Blond visited Australia in mid 2011 to address a conference convened by the Menzies Research Institute, the Liberal Party’s in-house think tank on Friday June 3rd. Introducing Blond as a “friend of Australia”, Opposition leader Tony Abbott drew connections between Liberal Party support for smaller government, Edmund Burke’s notion of formal and informal networks and ‘Big Society’.29 Blond also briefed Tony Abbott, deputy leader Julie Bishop, Shadow Finance Minister Andrew Robb, other senior shadow cabinet members and local government officials.

During his visit to Australia, Blond published a critique of the Australian political landscape, which prescribed ‘Big Society’ changes to combat “social and familial fragmentation”30 He was also interviewed on ‘Late Night Live’.31 Compared with the commercial media’s disinterest in ‘Big Society’ (and public sector changes in general), Radio National has had a healthy interest for some time. Radio National has broadcast several programs on ‘Big Society’ and published articles on their website including an episode of ‘Encounter’ on the theme of ‘Big Society’ based on interviews with twelve British church and community leaders on the impact of local government budget cuts32 and ‘Religion and Ethics’ interviews with Archbishop of Canterbury, Rowan Williams33 and John Milbank, the chair of ResPublica.34 None of the media coverage of Blond’s interactions with the Liberal Party nor the ‘Big Society’ changes has featured Australian public sector commentators with contrary views.
‘Big Society’ is being championed in Australia by several organisations. Six months before the Menzies Institute conference, John Roskam, the Director of the Institute of Public Affairs urged Tony Abbott to adopt the UK’s “ambitious ‘Big Society’ program.”35 IPA research fellow Chris Berg, on the other hand, described the conference as “little but giggles” and concluded that the Australian Liberal Party would not find “philosophical guidance which is both coherent and electorally appealing” in Blond’s Red Toryism.36

‘Big Society’ has also been actively promoted by the Centre for Social Impact (CSI), who have observed that despite the absence of an ‘enabling environment’ for ‘Big Society’ changes in Australia, cooperatives and mutuals are delivering health and housing services in remote and Indigenous communities.37 With the support of JBWere and the Macquarie Group, CSI lobbied the former New South Wales Labor government to conduct a pilot of Social Impact Bonds,38 one of the more controversial and untested elements of ‘Big Society’.39 The trial, recently implemented under the O’Farrell Coalition government, explored the potential for non-government investment in juvenile justice, parenting support for vulnerable families, disability, homelessness and mental health services. CSI researcher Professor Cheryl Kernot described this as a “pioneering initiative” with “innovative possibilities.”39 During a recent public sector conference, CSI’s Professor Peter Shergold (previously Secretary of the Department of the Prime Minister and Cabinet) declared his enthusiastic support for ‘Big Society’.

While expressing strong reservations about Social Impact Bonds and the lack of community involvement in decisions concerning the NSW trial, Centre for Civil Society director Vern Hughes is enthusiastic about other aspects of ‘Big Society’. According to Hughes, it is “exactly the kind of social and political movement lacking in Australia... we desperately need this kind of thinking.”40 Further support for ‘Big Society’ ideas and changes has been expressed by Tom Tolchard, project director of Social Innovation in Western Australia, a not-for-profit organisation that supports social enterprise and entrepreneurship, and the Community Council for Australia which advocates the establishment of a ‘Better Australia Bank’ to “help support the not-for-profit sector by lending money drawn from a pool of unclaimed funds.”41 This idea is based on the UK’s Big Society Capital.

**Political space for dissent**

To examine the implications of ‘Big Society’, I have interviewed leading Australian public sector researchers and commentators. During these interviews, I have asked why there is minimal debate about the potential to fundamentally change the roles of public, private and community sectors in delivering community services and in the ideas and social changes advocated by Blond, Cameron and their supporters in the UK and here. Several interviewees have expressed the view that the public sector policies of the major political parties in Australia are so similar that there is “no space” for debate; no well-defined alternative to their political consensus.

*Canberra Times* journalist Marcus Mannheim illustrated this consensus powerfully by estimating the impacts of Labor’s recent budget cuts on the Australian Public Service (APS). In the November 2011 Mid Year Economic and Fiscal Outlook, Labor increased

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1 In December 2011, the UK Public Administration Committee inquiry into Big Society concluded that, “Until further evidence of their success, both in achieving social aims and attracting capital, is available, we urge caution in reliance on their growth.”
the ‘efficiency dividend’ from 1.5% to 4%, placing significant additional pressure on the public service to deliver more for less. Mannheim demonstrated that this measure, combined with a $667 million budget cut for public service staffing may result in the loss of 14,000 jobs in APS agencies and departments. The ALP had previously been critical of Shadow Treasurer Joe Hockey’s declaration that a Coalition government would sack 12,000 public servants upon election. The apparent convergence of the major parties’ positions was also noted by Liberal Senator Gary Humphries who commented that, “Both sides of politics are united in their view that the size of the public service must be reduced. We’ve said that for some time; the Labor Party pretended otherwise, but its rhetoric now aligns with ours.”

The convergence of major parties’ public sector policies and values extends well beyond their support or otherwise for public service staffing and budgets. CPD’s ‘State of the Australian Public Service’ report highlighted many other instances of bipartisanship in comments made about the APS by Australian parliamentarians and Senators.

A similar pattern of bipartisanship is evident in the UK. Opposition leader Ed Miliband and his brother (and previous leader) David have been at odds over whether to oppose ‘Big Society’ or develop their own version of it. Ed Miliband endorsed the National Citizens Service program.

“Before the election, Labour mocked the plan as “D.I.Y. Britain”, releasing a video in which a beleaguered mother, surrounded by post-it notes and a putrefying roast chicken, attempts to feed her kid between shifts as a teacher, a social worker, a doctor, and a crossing guard. One of the most cogent critiques of the Big Society is that it presumes a desire on behalf of busy or apathetic citizens to participate in extracurricular democracy-building.”

Although the expression ‘Big Society’ is not yet in widespread use in Australia, its defining ideas and elements are present in political pronouncements such as Tony Abbott’s ‘Stronger economy and stronger Australia’ speech to the Press Club in January 2012. Without referring to David Cameron’s public sector changes, Mr Abbott invoked four core ‘Big Society’ tenets: community boards to manage the budgets and staffing of public schools and hospitals; reviewing welfare provision arrangements; engaging community and for-profit organisations to deliver public services; and an increased reliance on and advocacy for community volunteerism.
Where next?

This essay has briefly introduced ‘Big Society’, its underlying ideology and implementation mechanisms and impacts. It will be followed in March 2012 with a second short publication before CPD releases our main report on ‘Big Society’ in Australia in late April. These publications will examine:

- How ‘Big Society’ arguments and changes are being advocated and implemented in Australia
- Issues associated with outsourcing public services to corporations and volunteer-based organisations
- Dissecting the ‘Big Society’ rhetoric
- Community responses and resistance
- Alternative visions for the ‘good society’.

Throughout our ‘Big Society’ research cycle, CPD hopes to create space for discussion about these issues. Our website and Facebook page, subscriber enews and regular Tweets will provide opportunities for interaction, dissent and debate. We look forward to your involvement.

Endnotes

4 Blond, P., 2010, *Red Tory: How the left and right have broken Britain and how we can fix it*, Faber and Faber, London.
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44 Abbott, T., 31/1/12 'My plan for a stronger economy and a stronger Australia', The Canberra Times [retrieved 31 January 2012]
45 Mr Abbott took this policy to the 2007 election.