



THE  
**BIG SOCIETY**  
IN A  
**SMALL**  
**COUNTRY**

WALES, SOCIAL CAPITAL,  
MUTUALISM AND SELF-HELP

DAN BOUCHER

**iwar**



# The Big Society in a small country

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# Foreword

Our political and economic system in Britain has rested on three promises. First, that a market economy based on free enterprise and innovation will result in growing prosperity and the widespread distribution of wealth. Second, that democratic political institutions will ensure the preservation of political freedom. Third, that accompanying growing prosperity and increased devolution of government, the society that is made up of many different communities will be seen as fair and supportive of people and their families.

Today these promises are being questioned. Our public debate is dominated by economics: growing income inequality, a reduction in real income for many families, and a highly uncertain economic future for our children and grandchildren. The effectiveness of traditional democratic institutions in preserving freedom has been thrown into question. The reason 'Broken Britain' struck a chord was that too many communities in our society were being threatened by violence, drugs and youth unemployment. These raise huge issues for public debate. This essay by Dan Boucher deals with just one of them, namely the kind of society we wish to shape and hand on to the next generation.

Throughout it he refers to the 'big society' which has become a controversial idea. However, it is not new. When he argued against the French Revolution Edmund Burke championed the 'little platoons' of our society – family, school, neighbourhood, churches and clubs. Visiting the US in the first half of the 19th Century Alexis de Tocqueville was struck by the value of 'associations' – something which was in marked contrast to France. In the 20th Century Peter Berger wrote about the 'mediating structures' which stood between the individual and the State. All of these writers were reaching out to the idea of a big society which nurtured certain values and which in turn were the glue holding society together. The close knit communities in which I grew up in Fforestfach and Swansea placed great emphasis on education, whether in schools, colleges, universities or worker educational associations, and on culture and sport. Religious institutions, especially non-conformist chapels, were the breeding grounds of musicians, actors, writers, broadcasters and politicians. They were strong communities which shaped character and provided stability.

Dan Boucher has written a fascinating monograph in which he explores the relevance of the big society to Wales. As he explored the subject in greater depth he discovered to his surprise that the concept of the big society is in fact more Welsh than English! The irony of this is that despite its rhetoric the Labour Party in Wales remains deeply conservative and statist. This book opens up a huge debate, not just for Welsh Conservatives but for open-minded people in all political parties. The final endorsement for the book must rest with the distinguished Welsh public intellectual Peter Stead, who is quoted commenting on an early draft of *The Big Society in a small country* as follows, 'It is taking us near some home truths that have been buried during decades of resting smugly in the bosom of the nanny state!'

I strongly recommend this book.

**Lord Griffiths of Fforestfach**

*Caerbwdi*

Pembrokeshire

# Introduction

In the first edition of the Institute of Welsh Affairs' magazine *Agenda* after the 2010 General Election the cultural historian and commentator, Peter Stead, suggested we had just marked the real beginning of the 21st Century.<sup>1</sup> In much the same way that historians often argue that the first 14 years of the 20th Century should be regarded as an overhang of the 19th Century, Stead said we should see the first ten years of the 21st Century as an overhang of the 20th Century. The year 2010 marked what he called Year Zero, the point at which old assumptions lose all purchase and we are forced to develop a fundamentally different way of doing business for the new century.

Ever since Aneurin Bevan stamped his influence on Welsh political thought and practice in the middle years of the last century, the state has been perceived to be all important. However, when even Welsh Labour publicly recognises that the balance between the public and private sector needs to shift in favour of a bigger private sector, we know that something profound has changed.<sup>2</sup> As Peter Stead put it, 'We need to completely redefine the nature of public life in Wales so that people are doing things other than administering the lives of others or, as is more often the case, recommending ways in which lives should be administered'.<sup>3</sup> This presents a huge challenge to Wales's political leaders, who must 'devise a much slimmer system of local government and a much less monolithic National Health Service. And all the while they will have to be stimulating economic growth and a new range of creative job opportunities'.<sup>4</sup>

Looking to the future, Stead reflected on what he argued have previously been Wales's two great strengths, a commitment to education and to community. In recent years neither has proved to be of any great distinction. Educational outcomes have become less than impressive and 'the vaunting of our home patches' has come to sound 'a little hollow'. The difficulty is that 'many of us have sat idly by or just gone for holidays in Spain as chapels, shops, pubs and cinemas have closed and satellite dishes vie with For Sale notices as forms of street decoration'. Our communities, he said, have only been saved 'by satellite television, cheap pub meals, supermarkets and take-away restaurants'.<sup>5</sup> In this 'Year Zero' Wales needs to re-engage with its dual commitments - education and community - with new passion, with new drive and with new creativity.

What is the answer? Although at first glance it seems 'hopelessly utopian, vague and fashioned exclusively for the Home Counties', Stead suggests that David Cameron's big society is worth consideration. It is, he says, 'taking us near to some social truths that have been buried during decades of resting smugly in the bosom of the nanny state'.<sup>6</sup>

In Wales in the 2011 Assembly election the Conservative Group were elected on a platform committed to championing a 'Welsh Big Society'. Their manifesto committed to:

'...encouraging everyone who wishes to leave their community a better place than when they found it, by sponsoring volunteering and a Welsh Big Society'.<sup>7</sup>

This publication is born out of a desire to apply big society thought to contemporary challenges in greater detail in our 'small country' of Wales. It argues that, far from being an unhelpful, alien, English import that Wales can well do without, the big society concept is in some very real senses, more Welsh than English. As such, it contends that Wales can certainly add value to the development of big society thought and practice and at the same time renew its own economic life, identity and traditions. It is important to be clear, however, about the limitations. The *Big society in a small country* is an introduction to the subject. There is undoubtedly a need to survey all aspects of Welsh policy and governance from the perspective of big society thought and practice but such an investigation is way beyond the scope of this study.

Chapter 1 begins by providing an overview of the challenges in Wales today that big society solutions must address if they are to make any significant difference. Chapter 2 pauses to ask that most fundamental question: why would we want to employ apparently English big society solutions in Wales? Chapter 3 applies big society thought to the policy area this study looks at in detail, economic development. The closing chapter provides an overview of the big society tools and agents that Wales could seek to deploy or deploy more effectively in tackling the various challenges confronting us today. The conclusion provides a summary of the book's findings and reflections on the direction further study might take.

## Notes

- 1 Peter Stead, 'Wales 2010: Year Zero', *Agenda*, Institute of Welsh Affairs, Summer 2010, page 5.
- 2 Peter Hain, 'Rebalancing the Welsh Economy,' 2008.  
<http://www.peterhain.org/default.asp?pageid=93&mpageid=91&groupid=2>,  
and Carwyn Jones interviewed by Andrew Marr, *The Andrew Marr Show*, 14 February 2010.  
[http://news.bbc.co.uk/1/hi/uk\\_politics/8514909.stm](http://news.bbc.co.uk/1/hi/uk_politics/8514909.stm)
- 3 Peter Stead, 'Wales 2010: Year Zero', page 5.
- 4 *Ibid.* page 6.
- 5 *Ibid.* page 7.
- 6 *Ibid.*
- 7 Welsh Conservative Assembly Manifesto, *A New Voice for Wales*, 2011, page 1.

# Breakdown or big society Wales?

In December 2006 the first Conservative Party Social Justice Commission Report, *Breakdown Britain*, was published and quickly came to define important elements of a new Conservative narrative.<sup>1</sup> The report portrayed a country in the grip of advanced social brokenness which started in the family and extended outwards. It quickly gave rise to the phrase the Broken Society which became a policy focus for David Cameron as Leader of the Opposition and the Conservative Party as a whole.

The new Broken Society focus subsequently gained greater philosophical rigour from Conservative thinker Phillip Blond who argued in *Red Tory* that Britain was in the midst of a very serious 'social recession' which from the family upwards is destroying mutuality with very far reaching consequences. Blond is profoundly critical of policies (which Conservatives had previously been responsible for as well as Labour) that replaced rooted, bottom-up, personable, culture-laden, functional human community with autonomous, alienated individuals whose primary relationship (in terms of having needs met) was with the impersonal big state or indeed the big market rather than with each other.

The message of social brokenness, highlighted by Cameron in the aftermath of *Breakdown Britain*, seemed to resonate and in time Mr Cameron went on to unpack it in terms of a past narrative that the Conservative Party well understood. In the 1970s, he explained, Britain had suffered with a broken economy and in 1979 the Conservatives, led by Margaret Thatcher, came in with a radical set of policies to fix it, which were so successful that the party experienced four election victories. In the mid to late noughties, though, it was Britain's society that was broken but happily the Conservatives were ready with an equally radical set of policies to save the day and fix Britain's brokenness. In time, of course, it became fairly apparent that Britain's economy was actually broken (once again) as well, and Britain's budget deficit soared to 12 per cent of GDP, more than twice the level of 1976 when Dennis Healey had to appeal to the IMF for support. In this context of the broken society and broken economy, the phrase 'Broken Britain' not surprisingly obtained real purchase.

All this talk of the problem inevitably prompted the question, what is the solution? In the first instance the Conservative Party focus was very much on defining the problem, holding Labour to account, and then on some specific policy solutions, such as strengthening family life, by addressing the couple penalty and the lack of recognition of marriage in the tax system.<sup>2</sup> While the broken society amounted to a 'big idea' definition of the problem, specific policy responses did not amount to a 'big idea' definition of a solution, that is a wider narrative in terms of which specific policy solutions could be understood. In the second instance, therefore, and in response to this need the then Leader of the Opposition first spoke of the 'Big Society'.<sup>3</sup>

The big society message was, and is, really very simple. When presented with a problem Labour has instinctively turned to the state for answers, in the context of which it has necessarily got bigger and bigger. Conservatives, by contrast, instinctively turn to 'society'. Two points stand out. Firstly, the difference is not that Labour turn to the state, Conservatives to the market, which is the thinking one would perhaps have associated with the Thatcher era. Society certainly embraces the market but much more besides. Secondly, the purpose of turning to society rather than the state is to both promote its resources (a strong family unit, voluntary and community sector, and vibrant private sector) and to induce greater sensitivity to the need to uphold its health and wellbeing, countering social brokenness with family and community-friendly policies.

Too often in the past, especially in the home environment, Labour's statism made it oblivious to socially destructive problems that were the direct consequence of its policies such as the 'couple penalty', the fiscal incentive created by the tax credit and wider benefits system design for couples with children on low to modest incomes to live apart. This will be eroded by the new Universal Credit.<sup>4</sup> None of this is to suggest that the state will not continue to have a crucial role to play, merely that it will not be regarded as the first source for solutions.

The cynics have not been impressed and have provided at least two critiques:

### **a) No clothes**

Firstly, the big society is simply a piece of rhetoric designed to detoxify the Conservative brand, contaminated as it is with the image of 1980s individualism (see, 'There's no such thing as society'<sup>5</sup>), and make spending cuts sound progressive. 'People should wise up and recognise that if ever there was a case of a king with no clothes on this was it!<sup>6</sup> Government policies belie this, however. Big society policy content is evident within the home, for example, where it is cutting the couple penalty

and proposes recognising marriage in the tax system. Beyond the home it can be seen in the new Localism Bill, the Big Society Bank and Big Society Fund.

### **b) Old clothes**

Secondly, beyond the home, critics who concede there may be *some* content to the big society, suggest that it is not new. Developing a legal framework to enable voluntary bodies to flourish is exactly what New Labour did through the Third Way. The Third Way promoted significant new government investment in the voluntary sector. The big society, however, comes at a time of cuts. The new administration can talk until it is blue in the face about the big society but, if its actions are simply to cut funding, this can only have the effect of producing a smaller society.<sup>7</sup>

There are two problems with this argument. Firstly, there is nothing distinctive politically about increasing government investment in the voluntary sector. This took place under the last Conservative Government as well as under New Labour. Secondly, the big society critique of the state is being deployed today as much in relation to previous Conservative approaches to funding community groups as in relation to Labour. In the UK 75 per cent of charities receive no government monies even though 34.6 per cent of charity income comes from the state.<sup>8</sup> The reason is that the state has tended to fund a few big charities that have, in some senses, become extensions of state bureaucracy rather than charities rooted in their local communities. This is not to suggest that government should stop funding such charities. Funding should continue and hopefully, once this difficult season of cuts is over, increase. The point is simply that the big society seeks to find new ways for the state and business sector to partner with, and fund, voluntary and co-operative bodies to help facilitate a meaningful, rooted, fully functional community. There is a need for new funding mechanisms that are processed in a way that limits rather than extends bureaucracy and enhances rather than undermines local community.

The big society agenda should be embraced even if we were in the middle of an economic boom. It is an even more important agenda at a time of recession. It presents a framework within which Wales should consider its governance and national life in relation to devolved and non-devolved competencies, helping it to reconnect with key Welsh traditions.

This chapter sets out the big society challenge, examining those aspects of Welsh society that do appear to be broken. Part 1 looks at 'Wales, the broken society' from an historical 20th Century perspective. Part 2 then repeats the exercise from

a contemporary perspective. Part 3 provides a much more detailed analysis of the current situation, comparing the size of the Welsh state and civil society with that of the UK as a whole through the lens of big society thought and practice. The chapter concludes by balancing weaknesses with a positive assessment of the strengths Wales possesses that will help give it the potential to really make the most of big society solutions.

## **Part 1: Wales the broken society: in perspective**

In approaching the challenges Wales faces today from a Conservative perspective it is important to do so with sensitivity to historical context. As the Conservative philosopher Robert Nisbet said: 'We cannot know where we are, much less where we are going, until we know where we have been.'<sup>9</sup> We will rise to this challenge by briefly considering Wales in the 20th Century, commencing with the so-called 'Edwardian High Noon' until 1923, then proceeding to the inter-war period and finally looking at the post-war and later 20th Century period.

### **a. Edwardian high noon**

During the late 19th and early 20th Centuries parts of Wales were at the forefront of the UK economy. Between 1905 and the outbreak of the First World War Kenneth Morgan, the distinguished Oxford historian argued that Wales entered its Edwardian High Noon or Antonine Age. It was, he claimed, 'a period when the economic prosperity, national awareness and political creativity of the Welsh people were most effectively deployed for the benefit of themselves and their neighbours... the material prosperity of the nation reached new peaks of affluence. South Wales in particular seemed to be swept along on a tidal wave of economic expansion'.<sup>10</sup> Indeed, during the decade 1901 – 1911 almost 100,000 people moved into south Wales.<sup>11</sup> This is not to suggest everything was rosy. Morgan cites the difficulties experienced by the slate quarries where prolonged strikes followed attempts to restrain wages as an example of the challenges of the period. Nonetheless, this was generally a time of both cultural and economic confidence. The first cheque for a million pounds was written in Cardiff Docks in 1913. In the same year Wales found itself provider of a third of the world's coal. Of course, this period of buoyancy was not to last. While the war and the immediate post-war period kept Wales busy, in 1923 the good times came to an end. Between then and 1939 Wales endured a period of very great suffering.

### **b. Inter-war trauma**

We will assess the impact of the inter-war challenges, firstly from the perspective of

economic development, and then health.

### **Inter-war economic development**

Wales' problem was that its economy was not sufficiently diversified but based on the primary, extractive industries of coal, steel, tinplate and agriculture. Meanwhile, their associated manufacturing industries were largely located in England and elsewhere. This was not a problem for Wales for so long as demand for its limited array of 'goods' remained buoyant but when demand fell a very different situation emerged.

The impact of the drop in demand was exacerbated by two structural problems. Firstly, Welsh extractive industries were not particularly efficient and, as more competitive alternative sources of coal, steel and tinplate emerged, demand fell. Moreover, the Welsh coal industry, suffered from three additional challenges:

- War reparations meant France took German and not Welsh coal, removing a once valuable market.
- Welsh seams were often twisted and thus more difficult to work.
- Demand for coal was increasingly replaced by oil.

Then, in 1925, a politically generated disaster struck when the Chancellor of the Exchequer, Winston Churchill, put Britain back on the gold standard at a rate that was too high, making Welsh exports abroad significantly more expensive.

Instead of responding to these challenges through innovations that increased efficiency, employers embraced three blunt solutions: first, by requiring longer hours of employment; second, by simultaneously cutting wages; and third, if these did not work, by closing uneconomic pits. In the immediate aftermath of re-joining the Gold Standard the pain was delayed by the decision of the Government to intervene and maintain wages for nine months. When this period came to an end, market forces took over and employers immediately imposed harsh new conditions that provoked the 1926 General Strike. Although the UK General Strike only lasted from 4 to 11 May, in south Wales the strike continued until December when the miners were eventually compelled to go back to work - if they could find it. Unemployment soared and (as we shall see) large numbers of people left Wales.

Kenneth Morgan observes that from 1920 and particularly 1923 until rearmament in the late 1930s, 'Wales, especially the coalfield, was paralysed by a collapse in its industrial, manufacturing, and commercial life. It experienced mass unemployment

and poverty without parallel in the British Isles... South Wales plunged unprepared into a depression and despair which crushed its society for almost twenty years and left ineradicable scars upon its consciousness'.<sup>12</sup>

Meanwhile, Robert Griffiths relates: 'Whereas unemployment levels in 1934 stood at 9 per cent in London, 6 per cent in Birmingham and 5 per cent in Coventry and Oxford, the regional average for south Wales was 28 per cent, rising to 37 per cent in the Rhondda Valleys and soaring to more than 51 per cent in Merthyr.'<sup>13</sup> Commenting specifically on Merthyr, Griffiths observed that between 1921 and 1931 all the coalmines in the Dowlais district were closed, as were the Dowlais iron and steelworks in 1931. 'A number of Merthyr collieries were also closed and those that remained worked on short time. Merthyr Tydfil floundered in a trough of enforced idleness; Dowlais tottered on the brink of utter devastation... Of the 21,000 insured workers in Merthyr Borough, no less than 13,000 of them – 60 per cent – were out of work in 1934, and this after 16,000 people had left the area since the Great War.'<sup>14</sup>

Pamela Michael suggests that male unemployment in Merthyr actually reached a staggering 70 per cent.<sup>15</sup> Indeed, economic conditions became so bad in Merthyr that in March 1939 the Political and Economic Planning Unit's report on the Location of Industry recommended that Merthyr be abandoned and its population relocated to the coast or the Usk valley.<sup>16</sup>

Although Merthyr remained in place, leaving Wales for England and elsewhere became one of the main strategies for dealing with this difficult period. Between 1921 and 1940, 430,000 people left Wales in what George Thomas, later to become Welsh Secretary and Speaker of the House of Commons, called the great exodus.<sup>17</sup> In turn this generated yet more pressures as the young and productive left and the elderly remained. As Plaid Cymru thinkers, D.J. and Noelle Davies, observed, the migration of so many young people left Wales with a higher proportion than England of old people whose maintenance burdened the productive capacity of the remaining workers:

'Wales had 103,262 old age pensioners over the age of 65 in 1936; many of them unable to exist on their 10 shillings (50p) a week pension and had to apply for poor relief in order to augment it, thus throwing an extra burden on the rates; the number of such persons was 30,791 in 1937... the total burden of poor relief has been almost twice as heavy in Wales as in England, and has been increasing almost twice as fast. Between 1911 and 1937 the number of recipients of poor relief in Wales increased by 112 per cent, while

for England the increase was only 58 per cent. In September 1938, persons receiving poor relief in Wales numbered 110,285, or 445 per 10,000 of the population; in England they amounted to only 239 per 10,000 – so here again Wales was nearly 100 per cent worse off than England.<sup>18</sup>

### **Inter-war health**

Unsurprisingly these levels of economic suffering had a stark impact on the health of the nation. Pamela Michael observed:

'This [intense economic dislocation] caused extreme privation and the health of miners and their families suffered. In 1921, Dr Mary Scott reported that women attending the New Tredegar Infant welfare centre were unable to feed their babies because their breast milk was failing due to insufficient nourishment. Dr Elizabeth Cameron, attending to patients in Risca, wrote of the extreme distress she witnessed: "...too many mothers could be noticed growing thinner and more pinched from week to week. A number sought advice for symptoms such as fainting, entirely due to lack of proper food." The health impact was felt not only by mothers and babies but by schoolchildren as well. School medical officers reported that children were losing weight and showing the effects of malnourishment. School attendance officers reported that children were not attending school due to lack of boots and warm clothes.<sup>19</sup>

Meanwhile, D.J. and Noelle Davies, noted that a survey of children aged three to five in Cardiff and the Rhondda showed that 43.2 per cent of the Rhondda children were below normal weight, and 16.8 per cent of the Cardiff children were suffering from serious ill health. In one survey the diet of children in 486 Cardiff and Rhondda families appeared to consist largely of bread and jam. According to Dr D.A. Powell, Principal Medical Officer of the Welsh National Memorial association, 'the general standard of food in Wales has gone off considerably of late years'.<sup>20</sup> Later D.J. and Noelle Davies declared that continuous existence on the low standard allowed by poor relief was bound to take 'a toll on people's health and vitality, so it is not surprising that in 1937 the number of persons under the control of Public Assistance who suffered from sickness, bodily or mental infirmity, was 232 per 10,000 population in Wales, as against 128 for England and Wales, while Domiciliary Medical Relief accounted for 423 persons per 10,000 population in Wales, as against 214 in England and Wales, so in both cases Wales was 100 per cent worse off.<sup>21</sup>

### **c. Post war Wales**

Though the overall economic situation was more buoyant following World War II, the situation continued to be relatively difficult.

#### **Post-war economic development**

In *Work for Wales*, the first major centre-right analysis of the economic challenges facing Wales in the post war period, Bow Group Members Tom Hooson and Geoffrey Howe compared the unemployment rate in Wales with that of England between 1949 and 1959. They found that the inter-war disparity with England remained very much in place. 'Welsh unemployment has been persistently almost double the British average,' they observed. By this time the figure was what later would be considered a modest 3.4 per cent unemployment rate for Wales and 1.9 per cent for Britain as whole.<sup>22</sup> The inter-war decline that hit the extractive industries upon which Wales's undiversified economy was so dependent was ineluctable and continued after the war, albeit rather less painfully. The industries were unsustainable and no government could prevent closures.

#### **1. Coal**

As former Secretary of State for Wales, Nicholas Edwards (later to become Lord Crickhowell) observed in a lecture in 2008, between 1960 and 1980, 150 pits were closed in Wales with the loss of 70,000 jobs. The total numbers of those employed in the industry fell from 106,000 to 30,000. Forty-four of those closures took place under the two Labour Governments of 1964-70. In the immediate aftermath of the 1984-5 miners strike another 11 pits closed so that by October 1986 Wales had just 16 operational pits left, employing 13,000 men. By the end of the 1980s just seven pits remained, employing a mere 4,000 men – a far cry from the 250,000 employed in 1913.<sup>23</sup> In time the others closed as well. While the Tower colliery in Hirwaun survived as a result of a workers' buyout and uniquely continued operations into the 21st Century, it finally came to an operational end in January 2008. Today Wales, that was so defined by the coal industry during the 20th Century, does not have a single functional deep pit.

#### **2. Steel**

Edwards also considered the fate of the Welsh steel industry. While it, too, endured extensive closures it managed to massively increase its productivity and profitability in the 1980s, so that it still exists today, albeit on a more modest scale. In 1972 Ted Heath's Conservative Government embarked on a radical ten-year programme which, while reducing the workforce from 232,000 to 180,000, was intended to leave behind a big, efficient and sustainable steel industry. In reality, Edwards explains, this was made quite impossible by the slump in demand for steel during the 1970s.

Consequently, the 1978 Labour White Paper set out a programme of closures and cuts. The East Moors plant in Cardiff was closed in May 1978 with the loss of 2,820 jobs and Ebbw Vale in the same year with the loss of 1,520 jobs. In July 1979, just two months after the election that returned a Conservative Government, British Steel announced it was to end steelmaking at the Shotton plant on Deeside. Edwards notes that it was under Labour not the Conservatives that the major programme of steel closures was announced. The course of the British Steel Corporation's policy was largely set under a Labour Government in 1977. By 1979, BSC had abandoned its plans for major new capital development projects, and steel works were closing at an unprecedented rate.<sup>24</sup>

Where a Conservative Government was able to exert pressure and ultimately privatise significant parts of the Welsh steel industry, there was a massive increase in efficiency. As a result a Welsh steel industry still exists today, albeit as a much smaller employer. In coal where there was no significant privatisation, Wales no longer has any deep pits, nationalised, mutualised or privatised.<sup>25</sup> In neither context, however, were Hooson and Howe's warnings about the need to make adequate preparations for the inevitable closures heeded.<sup>26</sup> West Germany did not make the same mistake with its mining industry and instead closed its Saarland pits in the context of a long-term 25-year plan of phased closures and re-training.<sup>27</sup>

### **A new, diversified economy?**

While one can speculate about whether it might have been possible to sustain on-going activities in these industries if there had been greater willingness to rationalise and be creative in the use of existing factories and pits, it is absolutely clear that the Welsh economy has had to embrace new industries and on a diversified basis so that it never again becomes dependent on a limited number of industries of a similar kind. Successive governments have sought to realise this objective with some success, seeking to develop a big service sector, support small and medium sized enterprises, and attract inward investment. As the Welsh Government observed in 2002:

'The Welsh economy has had to renew and reinvent itself, from one dominated by heavy industries such as coal and steel to a much broader base of manufacturing and services. Some 200,000 jobs have been absorbed from declining industries in the last 30 years. It is now reinventing itself again, advancing higher up the value chain as assembly line manufacturing is moving to low wage areas in Eastern Europe and East Asia.'<sup>28</sup>

Yet although in the latter decades of the 20th Century Wales managed to engage in a significant measure of restructuring, including the development of a large service sector, the relative underperformance compared with England continued. Indeed, in recent years it has got worse. In 1971 Welsh GDP per head was just under 88 per cent of the UK average. By 1997 this had fallen to just over 83 per cent and by 2002, just 80 per cent.<sup>29</sup> In January 2002, having noted the fall to 80 per cent, the Welsh Government's National Economic Development Strategy, *A Winning Wales* provided the following analysis.

'Our below par GDP per head performance is not due, primarily, to lower productivity in comparable jobs. In terms of value added per person employed, Wales is close to the UK average on an industry-by-industry basis. The main differences between Wales and the UK average are the proportion of the working age population who have jobs - the employment rate - and the relative lack of highly paid jobs - the occupational structure. If our employment rate was similar to the UK average, 100,000 more people would be in jobs and our GDP per head would be much closer to the UK average.'<sup>30</sup>

*A Winning Wales* went on to set itself the task of closing the gap with the UK average in ten years. 'Success would mean Welsh GDP per person rising from 80 per cent to 90 per cent of the UK average over the next decade - with the ultimate aim of achieving parity'. However, as we will see as this chapter unfolds, the position did not improve.

### **Post-war health**

The post-war health record demonstrates a similar picture of on-going disparity with England. Writing in 1949, D.J. and Noelle Davies noted that when a child was born in Wales, their mother was 40 per cent more likely to die than in England and that the maternal death rate had actually been about 40 per cent higher than that of England since 1891.<sup>31</sup> They also noted that infant mortality in Wales was 62.52 per 1,000 live births, against 57.61 for England and Wales.<sup>32</sup> Pamela Michael highlighted the on going differential in the 1970s, noting that the social disadvantage of the south Wales valleys correlated to worse health outcomes expressed through consultation rates 'probably 80 per cent higher than in the average practice... In the south Wales valleys in 1970 mortality from ischaemic heart disease in men aged 35-44 was 75 per cent above the England and Wales rate, and mortality from stroke in men aged 35-64 was 50 per cent above the England and Wales rate'.<sup>33</sup> If we move forward to the 1990s, the health differential remains very much in place. As the Institute of Welsh Affairs'

1998 publication *The National Assembly Agenda* noted:

'Welsh health is at the 80th percentile of the European average. Life expectancy in Wales is about one year less than England. The death rate from heart disease is 18 per cent higher in Wales than in England and from cancer 10 per cent higher.'<sup>34</sup>

## **Part 2: Wales and the broken society: today**

Having considered Wales and the Broken Society in historical context (1900 – 2002), we now examine it from a contemporary perspective, post 2002. As in Part 1 Wales's performance will be assessed on the basis of economic development and health.

### **1. Economic development today**

By 2008, despite the economic boom years and the opportunity presented by significant European Union Structural Funding (especially between 1999 and 2006), far from moving in the direction of realising the 2002 *A Winning Wales* objective of closing the gap by 10 percentage points, Gross Value Added (the measure which is now favoured in this context in preference to GDP) had fallen to 74.3 per cent of the UK average. Wales now has the lowest GVA per head across the UK, behind the North East, 77.4 per cent, and Northern Ireland, 78.9 per cent of the UK average. The latest Welsh Government economic strategy, *Economic Renewal: A New Direction*, published in July 2010, admits failure:

'We recognise that over the long term the performance of the Welsh economy has not met expectations, particularly when measured in terms of relative Gross Value Added (GVA) per capita. The two factors immediately responsible for Wales's position are a low employment rate and low average wages (reflecting low average productivity).'<sup>35</sup>

In the same way that low employment and low average wages characterised the inter-war period and the post war period, so these same weaknesses remain very much in place today. Statistics Wales Economic Bulletin for May 2012 reported that for the three months to March 2012 unemployment in Wales was nine per cent of the economically active population compared with 8.2 per cent for the UK as a whole. While 23 per cent of the UK population was economically inactive, the figure rose to 25 per cent for Wales. The Bulletin also reported that in April 2011 the average

workplace-based gross weekly earnings of full-time employees in Wales stood at £519 or 85.8 per cent of the UK average. On a residence basis, average weekly earnings in Wales were £529 or 87.3 per cent of the UK average.<sup>36</sup>

In considering the lower employment and higher economic inactivity challenge today, the following considerations are important: Firstly, within Wales' overall higher levels of unemployment, we have particularly high levels of youth unemployment. In 2008, while the general Welsh unemployment rate was 6.6 per cent,<sup>37</sup> the youth unemployment rate (those between ages 16 and 24) was 16 per cent.<sup>38</sup> Using a different but related measure, between 1996 and 2010 the proportion of those in Wales classified as not in education, employment or training (Neets), was consistently above the England level by about 2 per cent, with the exception of 2005-6 when the Welsh Neet figures briefly dipped just below those of England.<sup>39</sup> The fact that Wales should have less well-paid and less productive jobs makes complete sense when seen in the context of the large numbers of young people not in education or training. Wales also has a high proportion of people in the labour market with no formal qualifications at all, some 14 per cent.<sup>40</sup> Secondly, the relatively high levels of economic inactivity continue to be driven by higher levels of long-term illnesses.

## **2. Wales and health**

Wales comes out particularly badly when its contemporary health performance is considered alongside that of England and Western Europe as a whole. This message has been brought out very clearly in a series of government commissioned reports, including *Inequalities in Health: The Welsh Dimension 2002-2005* and *The Wanless Report*. The former suggests that Wales's mortality rate is one of the worst in Europe with a higher death rate from heart disease than in Western Europe and one of the highest rates of cancer registrations in Europe. It also noted a much higher percentage of people reporting a long-term limiting illness than in England, with the highest levels in the south Wales valleys.<sup>41</sup> Wanless, meanwhile, also recognised that Wales enjoys relatively poor health compared to England: 'The health of people in Wales is relatively poor. Many lead unhealthy lifestyles, and although rising resources and improving productivity are increasing the supply of health and care services, this is being outstripped by rapidly growing demand.'<sup>42</sup> Wanless noted 19 per cent more attendances at A&E departments per head of population in Wales than in England<sup>43</sup> and 15.9 prescription items per annum compared with 11.8 in England.<sup>44</sup>

### **a. Economic perspective on health**

There is a clear link between economic deprivation and health inequalities. The 2002 *Wellbeing in Wales* report unpacked the relationship in the following manner:

'The number of working age in Wales who are not looking for work is relatively high, with almost 100,000 more people economically inactive than would be the case if Wales conformed to the UK average. Many of these individuals are caught in a cycle of poor job opportunities, poor lifestyles and health problems. In February 2002 192,500 people in Wales were drawing incapacity benefit.'<sup>45</sup>

Another report, *Inequalities in Health: The Welsh Dimension 2002-2005*, made the following observations, citing the *British Medical Journal*:

'The message for areas like south Wales is stark. What is also striking is that the places that suffered high deprivation and low life expectancy are largely the same today as in the 19th Century. The legacy of mining and heavy industry can be clearly seen, both in terms of the physical and social deprivation left behind after the industries have come and gone, and in terms of the damaged health these conditions engender.'<sup>46</sup>

It went on to note that Wales's relatively poor position on the indices of socio-economic prosperity provides the wider context of the health status measures mentioned above: 18 per cent of the working age population in Wales was in receipt of benefits compared with 13 per cent in Great Britain as a whole (November 2004); average gross weekly earnings in Wales was then 87.7 per cent of earnings in Great Britain as a whole (2004); and the employment rate in Wales is below that of the UK, with 24 per cent of the working age population in Wales economically inactive, compared with 21 per cent for the UK as a whole (December 2004 to February 2005).<sup>47</sup>

### **b. Age perspective on health**

Any appreciation of Wales's health situation must also have regard for the fact that Wales continues to have a higher concentration of older people than any other UK nation, and, as such, is more likely to experience associated health challenges.<sup>48</sup> Moreover, the difficulty is compounded by the fact that not only is the concentration of older people in Wales greater but that those older people have significantly poorer health than their UK neighbours.

'In Wales, 5 out of 10 people between the ages of 60 and 85, and 8 out of 10 people over 85 have a limiting long-term illness, which is higher than the levels in England. Two out of three people over the age of 60 living in Merthyr Tydfil, Rhondda Cynon Taff, Blaenau Gwent, Neath Port Talbot, and Caerphilly have a limiting long-term illness: in most of the rest of Wales it is one in two. It is less than one in two in Ceredigion, Powys, Monmouth, Gwynedd and Conwy.'<sup>49</sup>

In Wales 53.4 per cent of people between the ages of 60 and 85 have limiting long-term illness compared with the nearly 10 per cent lower figure of 44.1 per cent for England. For those over 85 the difference narrows between 79.5 per cent for Wales and 75.9 per cent for England.<sup>50</sup>

Age perspectives on health, of course, are not just concerned with those who are older. At the other end of the spectrum there is also cause for concern. The last Health Behaviour in School-aged Children study was for the year 2005-06. Although a few years old, it provides the most recent comprehensive comparative data, demonstrating that of the 41 participating countries and regions Wales ranked fourth highest in terms of the proportion of 13-year-olds drinking alcohol on a weekly basis. If we look at slightly older children, 15-year-olds, Wales actually ranked third and England fourth.<sup>51</sup> Wales also ranked as the third highest for fifteen-year-olds who had been drunk at least twice. As such Wales was above both England and Scotland.

Turning to drugs the same report demonstrated that 32 per cent of 15 year old girls and 30 per cent of 15 year old boys in Wales reported having tried cannabis, compared with England (23 per cent of girls and 26 per cent of boys) and Scotland (27 per cent of girls and 29 per cent of boys).<sup>52</sup> The same study also found that the percentage of 15-year-olds overweight in Wales was also high. In 2006 while 13 per cent of 15-year-old boys were overweight in England, the figure for Wales was 21 per cent. For girls, the differential was greater, with an England figure of 8 per cent compared with 18 per cent for Wales. It is both striking and concerning that despite adjoining each other Wales and England should have such radically different experiences.<sup>53</sup>

Both from the perspective of the economy and health, it is clear that our now post-industrial society continues to underperform vis-à-vis other parts of the UK, as it has since the inter-war period.

### **Part 3: The big society or the big state?**

Having considered the historical backdrop to Wales and the broken society and the contemporary manifestations of that brokenness, it is now important to provide a rather more detailed analysis of the size of the Welsh state, compared with that of the UK as a whole, and the resulting space, or lack of it, for non-state civic energy and initiative. With these challenges in mind, Part 3 asks: is the Welsh state really too big and is Welsh society too small? In order to engage meaningfully with these questions, it is important to first consider the UK situation as a whole.

#### **The UK**

The UK economy is currently the seventh biggest in the world with GDP worth just over \$1.5 trillion.<sup>54</sup> Public spending stands at £683 billion<sup>55</sup> or just over 44.77 per cent of GDP.<sup>56</sup> Those who espouse fiscal conservatism (which certainly include Conservatives but in the context of global market disciplines others as well) tend to be much happier when public spending is less than 40 per cent of GDP.<sup>57</sup> As it rises above 40 per cent, fiscal conservatives argue that one must consider very carefully whether the Government in question is in a position to sustain such a level of expenditure without adverse consequences. To give one a clue about what is and what is not deemed to be acceptable, the EU Stability and Growth Pact permits an annual deficit of up to just 3 per cent of GDP and general government debt of up to 60 per cent of GDP. General government net borrowing in 2011, as measured on the Maastricht Treaty and Stability and Growth Pact Excessive Deficit Procedure bases, was £124.62 billion, the equivalent of 8.3 per cent of gross domestic product. General government gross consolidated debt at nominal value was £1250.3 billion, the equivalent of 82.9 per cent of GDP.<sup>58</sup>

The run on the pound that resulted in Denis Healey having to seek an IMF loan in 1976 was the result of a deficit of just 5 per cent of GDP, which was then deemed to be unsustainable. The markets are more flexible today but not infinitely so and downgraded credit ratings require higher interest payments. Countries generally manage as long as interest payments on loans do not reach 12 per cent of GDP. With current annual payments of about £44 billion, Britain is a long way from the 12 per cent figure but no one wants to waste £44 billion of taxpayers' money on making the bond traders even richer.<sup>59</sup>

## Wales

Of course, as Wales is not an independent state it does not have control of the key economic levers, such as tax and interest rate policy, or complete responsibility for government spending and debt. This, however, does not mean that we cannot consider the size of the economy in Wales in relation to both the tax take and government spending within Wales, and reflect on the implications for the size of the state. As it happens Welsh GDP is currently approximately £44 billion – the sum, as we have just seen, the UK spends annually on servicing its debt.<sup>60</sup> Public spending as a proportion of GDP, however, is significantly greater than the 45 per cent figure for the UK as a whole. The Centre for Economics and Business Research estimates it to be about 70 per cent.<sup>61</sup> Can Wales afford it? At present tax receipts are worth about £17 billion which means there is actually a shortfall of some £6.3 billion. That means that Wales's effective deficit stands at 14.2 per cent of GDP. The Holtham Review recognised that, on the basis of need Wales has a £300 million funding shortfall. If, however, this was eliminated it would actually make the difference between government spending in Wales and the tax take in Wales even greater.<sup>62</sup> Should Wales seek this increase in budget without raising its game significantly economically?

The fact that Wales finds itself with such a significant effective deficit and GVA per head so low, compared with the rest of the UK, even after the boom years of 1998-2008, is extraordinary. During this period not only were the general economic parameters good but government also massively increased public spending in Wales. As the then Secretary of State for Wales, Peter Hain, stated in his 2008 pamphlet *Rebalancing the Welsh Economy*: 'One of the elements essential to Wales's success to date has been the huge real terms rises in public investment, the Welsh budget increasing to almost £16 billion by 2011, some 130 per cent higher than in 1997.'<sup>63</sup> In this context Hain observed in 2008 that public spending in Wales had risen to 59 per cent of GDP and that this was unsustainable. 'To achieve at least equilibrium with the rest of the UK and the OECD, Wales must move towards a private sector at around 55 per cent of Welsh GDP. And to achieve this in 15 to 20 years we will need year on year growth at around 1 per cent faster than the UK average: no mean feat.'<sup>64</sup> In other words Hain recognised it was important to rebalance the Welsh economy such that, rather than representing 59 per cent of GDP (now 70 per cent), public spending should represent just 45 per cent of GDP, a huge change. This he maintained, however, should not be achieved by cutting public spending (although he conceded efficiencies would be necessary) but rather by growing the private sector.

In some ways Hain's reflections constitute a welcome admission of an important aspect of Wales's difficulty. It is fascinating to hear a Labour Parliamentary

recognising the problems associated with an over-dominant public sector. In other ways, however, it is disingenuous. Given that since the First World War, Wales has consistently underperformed in relation to the UK as a whole, it is not clear how the miracle of which Peter Hain speaks – Welsh growth about 1 per cent above the UK average for 15 to 20 years – will be delivered. The strategy for growth he proposes actually sounds remarkably similar to that of many Secretaries of State before him, investing more in the service sector, the knowledge based economy, putting Wales at the cutting edge of research. His ambition of seeing public spending fall as a proportion of GDP has already gone the same ways as *A Winning Wales's* goal of increasing GDP per head. Rather than the private sector growing relative to the public sector, the reverse has occurred.

More recently, in an interview with Andrew Marr in February 2010, First Minister, Carwyn Jones also conceded the need for a bigger private sector:

'Our problem is... that our private sector is too small. We have to do more to unleash the entrepreneurial spirit that does exist in Wales.'<sup>65</sup>

The size of the state in Wales is neither healthy nor sustainable. There is an urgent need for a bottom-up revolution, involving both the private and third sectors (which will need to be working increasingly in partnership), together with broader civil society, so that while the state endures, carrying out its crucial role, a greater portion of national energy and creativity emanates from beyond government. It is a need that Labour politicians have recognised. However, as the champions of statism they will be hard pushed to deliver a real solution. That is why Welsh Conservatism and the big society agenda are so important for the future of Wales.

### **Towards a conclusion: Wales, the broken society and big society**

While detailed consideration of solutions to some of the challenges outlined above must wait until later, it is important to recognise that, despite the statist emphasis of recent years, Wales does possess very significant big society qualities, resources and assets. These give grounds for real hope that Wales is well placed to embrace and lead the way in developing and applying big society solutions.

The *2000-1 General Household Survey* looked at social capital across the UK, in terms of civic engagement, neighbourliness, social networks, social support and perception of the local area. Wales had the highest 'high neighbourliness' score (along with Scotland) of the UK nations, 43 per cent compared with 32 per cent for England.

Meanwhile, in terms of social networks, it had the highest satisfactory friendship network, 74 per cent (England 65 per cent), and the highest satisfactory relative network, 60 per cent (England 51 per cent). It also demonstrated that in terms of residents' perception of their locality, Wales had the highest score for 'enjoys living in area', 90 per cent compared with England's 86 per cent.<sup>66</sup>

The *2008 UK Citizenship Survey* told a similar story. A total of 84 per cent of the people surveyed in Wales felt that they strongly belonged to their neighbourhood, compared with 77 per cent in England.<sup>67</sup> Some 81 per cent of people surveyed in Wales felt that they strongly belonged to their local area compared with 72 per cent for England.<sup>68</sup> Some 44 per cent of the people surveyed in Wales felt safe walking the streets at night compared with 35 per cent in England.<sup>69</sup> Wales also comes out relatively well on the question of do people from different backgrounds get on well together, scoring 24 per cent compared to just 19 per cent in England.<sup>70</sup> Any nation blessed with the level of community spirit that these statistics illustrate, is supremely well placed to exploit big society solutions to the full.

## **Conclusion**

To the extent that the state sector in Wales is significantly bigger than that in the UK as a whole, there is no doubt that, far from being something of primary relevance to England, the big society is arguably more relevant to Wales. Indeed, when Labour Secretaries of State and First Ministers call for a rebalancing of the economy in favour of the non-state sector, it is clear that not only is a big society agenda something that makes sense narrowly within the confines of Welsh Conservative thought but that it could serve to lay the foundation for a new approach with more general purchase on the political discourse in Wales. It is not merely in the interests of Welsh Conservatism but also in the interests of Wales as a whole to engage with the big society and to seek to add value to it.

Yet there are those who argue that the reason for the size of the state in Wales is because Welsh culture actually has a statist inclination. This makes Wales the source of better thinking and practice about the state whereas the big society is really an alien, English idea. The next chapter will seek to demonstrate that the big society is arguably more Welsh than English, presenting an agenda that Wales should not only enthusiastically embrace but also seek to shape.

## Notes

- 1 Conservative Party Social Justice Policy Group (Chairman, Iain Duncan Smith MP), *Breakdown Britain*, Centre for Social Justice, 2006.
- 2 Conservative Party Social Justice Policy Commission, *Breakthrough Britain: Volume 1 Family Breakdown*, Centre for Social Justice, 2007, especially chapter 4.
- 3 Speech by David Cameron MP, 'The Big Society', November 10th 2009.  
[www.conservatives.com/News/Speeches/2009/11/David\\_Cameron\\_The\\_Big\\_Society.aspx](http://www.conservatives.com/News/Speeches/2009/11/David_Cameron_The_Big_Society.aspx)
- 4 See detailed discussion *Breakthrough Britain*, especially pages 129-130. The removal by the Labour Government of recognition of marriage in the tax system in 1999-2000 resulted in a situation where the UK moved out of line with other developed countries such as the US, Japan, France and Germany that do recognise marriage, placing one-earner married couples with children at a very real disadvantage. In 2008-09 the tax burden on a one-earner married couple in the UK with two children on average wage was 44 per cent greater than the OECD average: see Draper and Beighton, *The Taxation of Families 2007-08: a review examining how the UK compares internationally*, CARE, London, p8 and Gabriel Miland, *Marriage Tax Anger*, Daily Express, 9 February 2009. This was particularly significant from a Broken Britain point of view, because Britain was giving families where one parent chose to stay at home to invest more in the children and their development a much harder ride than comparable developed countries.
- 5 Margaret Thatcher MP interviewed in *Woman's Own*, 31 October 1987.
- 6 Polly Toynbee, 'The Big Society is a big fat lie - just follow the money,' *The Guardian*, 6 August 2010.
- 7 *Ibid.*
- 8 NCVO, *The UK Civil Society Almanac*, Executive Summary, 2009, pages 4 and 6.
- 9 Robert Nisbet, *Conservatism: Dream or Reality*, University of Minnesota Press, 1986, page 41.
- 10 K.O. Morgan, *Rebirth of a Nation: A History of Modern Wales*, Oxford University Press, pages 123-4.
- 11 Pamela Michael, *Public Health in Wales: 1800 - 2000: A Brief History*, Welsh Government, 2008, page 8.
- 12 Morgan, *Rebirth of a Nation*, page 210.
- 13 Robert Griffiths, *S.O. Davies: A Socialist Faith*, Gomer Press, 1983, page 99.
- 14 *Ibid.* pages 91-92.
- 15 Michael, *Public Health in Wales (1800 - 2000)* page 14.
- 16 Griffiths, *S.O. Davies*, page 113.
- 17 Morgan, *Rebirth of a Nation*, page 231.
- 18 D.J. and Noelle Davies, *Can Wales Afford Self Government?*, Plaid Cymru, 1949, page 35.
- 19 Michael, *Public Health in Wales (1800 - 2000)*. Page 14.
- 20 D.J. and Noelle Davies, *Can Wales Afford Self Government?*, page 31.
- 21 *Ibid.* pages 34-35.
- 22 Tom Hooson and Geoffrey Howe, *Work for Wales: Gwaith i Gymru*, the Conservative Political Centre, 1959, page 9. Both went on to become Conservative MPs and, in the case of Howe, Chancellor, Foreign Secretary and Deputy Prime Minister in the Thatcher Government.

- 23 Lord Crickhowell, *The Conservative Party in Wales 1888 – 1998*, Welsh Political Archive Lecture, 2008, page 28.
- 24 *Ibid.* pages 25-26.
- 25 Our privatised steel industry may well promote the development of a new deep pit at Margam to service the steel works. See Robin Turner, 'Tata Drops Corus Name', *Western Mail*, 28 September 2010.
- 26 See Hooson and Howe, *Work for Wales*, page 32: 'The question must be asked whether thought was given early enough to the type of industry which ought to be attracted when the hand-mills first closed. It may also be asked whether sufficient thought is being given to the similar problems likely to arise from the future contraction of the coal industry.'
- 27 David Melding, *Will Britain Survive Beyond 2020?*, IWA, 2009, page 165.
- 28 Welsh Assembly Government, *National Economic Development Strategy: A Winning Wales*, January 2002, page 4.
- 29 Brian Morgan and Kevin Morgan, 'Economic Development' in John Osmond (Ed), *The National Assembly Agenda*, IWA, 1998, page 166.
- 30 The document noted, 'This is the main goal of our economic policies, though, realistically, the timescale for achievement cannot be set with precision – there are too many imponderables.' *A Winning Wales*, page 28.
- 31 D.J. Davies and Noelle Davies, *Can Wales Afford Self Government*, page 30.
- 32 *Ibid.*
- 33 Michael, *Public Health in Wales 1800 – 2000*, page 26.
- 34 Gareth Jones, John Wyn Owen, Jan Williams, Mike Ponton and Chris Hawker, 'Health and Social Policy,' in John Osmond (Ed.) *The National Assembly Agenda*, IWA, 1998, page 259.
- 35 Welsh Government, *Economic Renewal: A New Direction*, July 2010, p6.
- 36 Statistics Wales *Economic Bulletin*, September 2010.
- 37 Economic Statistics Monthly, December 2008.
- 38 Peter Kenway, Guy Palmer and Tom MacInnes, *Monitoring poverty and social exclusion in Wales 2009*, Joseph Rowntree Trust, June 2009, page 1.
- 39 Statistics for Wales, *Young people not in education, employment or training (Neet)* 13 October 2010, page 6.
- 40 *Skills for Jobs: Today and Tomorrow: the National Strategic Skills Audit for Wales, Vol. 2 - Evidence Report*, UKCES 2011 Table 2.13, page 41.
- 41 *Inequalities in Health: The Welsh Dimension 2002-2005*, Welsh Government and Health Challenge Wales, 2005, page 10.
- 42 Welsh Government, *The Review of Health and Social Care in Wales: the Report of the Project Team advised by Derek Wanless*, June 2003, page 19.
- 43 *Ibid.* page 27.
- 44 *Ibid.* page 49.
- 45 Welsh Government, *Wellbeing in Wales Report*, 2002, page 8.

- 46 Welsh Government, *Inequalities in Health: The Welsh Dimension 2002-2005*, page 11.
- 47 *Ibid.*
- 48 See Welsh Government *A Statistical Focus on Older People, 2008 Edition*, page 7: 'In Wales, nearly one in four people are over the age of 60, a higher proportion than in England, Scotland, or Northern Ireland.'
- 49 *Ibid.* page 33.
- 50 *Ibid.* page 34.
- 51 Welsh Government, *Children and Young People's Well-being Monitor for Wales, 2008*, page 131.
- 52 *Ibid.* page 133.
- 53 *Ibid.* page 127.
- 54 [http://www.ukpublicspending.co.uk/downchart\\_ukgs.php?year=&chart=G0-total&units=b](http://www.ukpublicspending.co.uk/downchart_ukgs.php?year=&chart=G0-total&units=b)
- 55 Total Public Spending, 2012 <http://www.ukpublicspending.co.uk/index.php>
- 56 [http://www.ukpublicspending.co.uk/downchart\\_ukgs.php?year=1950\\_2011&units=p&chart=F0-total&state=UK](http://www.ukpublicspending.co.uk/downchart_ukgs.php?year=1950_2011&units=p&chart=F0-total&state=UK)
- 57 On the Left, successive Labour Prime Ministers Tony Blair and Gordon Brown famously embraced this strategy. As HM Treasury put it in 1998, 'The Government believes that, other things being equal, it is desirable that net public debt be reduced to below 40 per cent of GDP over the economic cycle. As discussed in Chapter 4, the fiscal projections suggest that this will be achieved over the remainder of this Parliament, while still allowing the Government to meet its key spending priorities. The only previous time during the past 30 years that net public debt fell to this level was during the unsustainable boom in the late 1980s.' *The Economic and Fiscal Strategy Report 1998*, chapter 3, The Fiscal Framework: Prudence and Prosperity.
- 58 Statistical Bulletin, 'Government Deficit and Debt under the Maastricht Treaty', Office of National Statistics, 30 March 2012, page 1.
- 59 'The real risk from government debt is the burden of interest payments. Experts say that when interest payments reach about 12 per cent of GDP then a government will likely default on its debt... the UK is a long way from that risk. The peak period for government interest payments, including central government and local authorities, was in the 1920s and 1930s right after World War I.' [http://www.ukpublicspending.co.uk/debt\\_brief.php](http://www.ukpublicspending.co.uk/debt_brief.php)
- 60 'Wales contributed £44.5 billion to UK economic output. This was 3.6 per cent of the UK's total economic output.' [http://www.hm-treasury.gov.uk/2011budget\\_wales.htm](http://www.hm-treasury.gov.uk/2011budget_wales.htm)
- 61 David Smith, 'Spending cuts to hit northeast and Wales,' *The Sunday Times*, 25 April 2010. <http://www.timesonline.co.uk/tol/news/politics/article7107240.ece>
- 62 Alan Trench, 'Moving on from Holtham: the fiscal deficit is more important than the funding gap' 29 July 2010. <http://devolutionmatters.wordpress.com/2010/07/29/moving-on-from-holtham-the-fiscal-deficit-is-more-important-than-the-funding-gap/>
- 63 Peter Hain, *Rebalancing the Welsh Economy*, 2008. <http://www.peterhain.org/default.asp?pageid=93&mpageid=91&groupid=2>
- 64 Peter Hain, 'Rebalancing the Welsh Economy,' 2008.
- 65 Carwyn Jones, *The Andrew Marr Show*, 14 February 2011. [http://news.bbc.co.uk/1/hi/uk\\_politics/8514909.stm](http://news.bbc.co.uk/1/hi/uk_politics/8514909.stm)

- 66 National Statistics, Statistical Bulletin, *Indicators of Social Capital: Results from the social capital module of the General Household Survey 2000*, 26 June 2002.
- 67 *2008-9 Citizenship Survey, Community Cohesion Topic Report*, Table 25, page 128.
- 68 *Ibid.* Table 36, page 139.
- 69 *Ibid.* Table 48, page 151.
- 70 *Ibid.* Table 7, page 110.

# Why the big society is more Welsh than English

In a recent poll of heroes Nye Bevan was voted the greatest Welshman.<sup>1</sup> If this is the case, some might argue that it would make more sense to identify the Welsh political tradition with the Labour Party and a big state ethic rather than with the Conservative Party and its mission to create the big society. As a leading member of big state Labour Government, who was and is to this day the subject of special adulation as the founder of the National Health Service, it would be hard to be much more big state than Nye Bevan. Moreover, the fact that Labour generally has been the party of the big state, and also the party that has dominated Wales since 1918, strongly suggests that Wales has, in modern times at least, had something of a statist inclination, favouring concentration of economic controls and planning in the hands of centralised government. Can we argue that the philosophy of the party that has dominated Wales for so long is unnatural to it and that deep down Wales really takes a contrary view?

What follows will challenge the idea that the big society is, as far as Wales is concerned, an alien idea. It will highlight big society thought and practice in the writings and work of Welsh Labour and Plaid politicians and other non-Conservative Welsh political thinkers. Far from being an alien concept beyond the realms of Welsh Conservatism, we will find that in fact the notion of the big society is more Welsh than English.

## **Wales and the big society**

Given that perhaps the most important feature of the big society is an approach to problem solving that is bottom-up and rooted in the local community, rather than top-down and dependent on the state, the most striking cultural point of connection between Wales and the big society is the nation's long-term identification of itself as a community of communities. Describing a nation and culture that places great emphasis on bottom-up localism rather than a top-down statism, Wales's community of communities ethic is such that it is hard to imagine a nation with a tradition at its disposal that is culturally *more* positively disposed to the big society than Wales. The

deep roots of this localism, which provide such an important big society fit, can be seen to rest on at least three historic foundations.

Firstly, while Wales enjoyed a clear border from the sixth century and nationwide laws - thanks to Hywel Dda - from the eighth, it seldom, if ever, had a common executive before annexation to England in 1536. For the vast majority of its history until that point Wales had been made up of many smaller communities, ruled by different princes. Of course, from annexation until 1964 when the Welsh Office was established, and 1999 when the National Assembly for Wales came into being, Wales was subject to a common executive but one based outside Wales.

Secondly, with the banning of all 'sinister uses' of the Welsh language in official contexts post annexation, apart from church (and Parliament further approving the translation of the Bible into Welsh), Welsh nationhood, so entwined with the language, was squeezed out of governance and administration and into church and chapel. As a consequence Welsh identity took on an increasingly spiritualised form such that scholars have used the so-called 'Wales Israel paradigm,' according to which Wales is identified with the promised land of its faith, as a framework within which to understand it.<sup>2</sup> In this context Wales again accessed a radical decentralism. Most of the non-conformist churches, which were to become dominant, were entirely self-governing. On the other hand, the Anglican Church was an integrated part of the church in England until disestablishment in 1920.

Thirdly, in his *Rebirth of the Nation*, Kenneth Morgan explains how, with the increase in the franchise from 1884, power shifted from the anglicised upper classes, with their English-minded, Tory Members of Parliament, to the middle classes represented by Welsh-minded Liberal MPs and new similarly minded Liberal local councils. The return of a significant measure of political power to Welsh, as opposed to anglicised Wales, laid the foundation for the reassertion of the bottom-up Welsh tradition. Informed by a combination of radical Welsh Liberalism and chapel, this new tradition, with its rather romantic interest in Wales' roots, was also associated with the early days of Labour. However, from 1918 the party began to embrace a rather alien statism - from a Welsh point of view. This radical tradition also fed into the formation of Plaid Cymru in which the long-standing Welsh commitment to local community views and values was afforded very great respect. Thus, it is clear that Welsh culture sustains a very deep-rooted, long-term commitment to the local community, which suggests it is ideally placed to connect with the big society.

## **Welsh Labour and the big society**

There is no doubt that because of its general association with Labour Wales has been connected with a statist mentality. However, at heart Wales is not a statist nation. When Welsh Labour is considered in its proper historical context, through examining the thought of some of its early leaders, including Nye Bevan, a more nuanced view becomes apparent than one might at first suppose.

## **Decentralist early Labour: Kier Hardie and Noah Ablett**

Early Labour - which actually gained its first Member of Parliament and party leader, Keir Hardie, through a Welsh seat - was not statist in the commonly understood Bevanite sense of subsequent years. The radical tradition which informed early Labour was sustained by a very different vision that drew inspiration from a number of Welsh thinkers and practitioners. Robert Owen, born in Newtown, the celebrated businessman who laid the foundation for co-operative thinking and practice in the 19th Century, was one. Another was the Porth-born union leader Noah Ablett, principal author of *The Miners Next Step*, in 1912. It became a seminal text in the development of syndicalism, a political movement that sought to transfer the management of industry to syndicates of workers in the early 20th Century.

## **Nye Bevan**

While the decentralism of early Labour might not be such a surprise, many would assume that once we arrive at Nye Bevan we must have reached the very different era of centralist, Labour statism. However, even here elements of a strongly decentralist big society ethos are evident. In order to properly appreciate this decentralism we must consider the development of Nye's thought and practice against the background of the times. The statism that Bevan and Welsh Labour as a whole embraced from 1918 was part of an extraordinary solution to an extraordinary problem. Actions undertaken *in extremis* are not the best guide to the heart of any culture.

## **Extraordinary problems**

The economic traumas that Wales suffered during the inter-war period were quite unprecedented. As Kenneth Morgan noted:

'Wales, especially the coalfield, was paralysed by a collapse in its industrial, manufacturing, and commercial life. It experienced mass unemployment and poverty without parallel in the British Isles... South Wales plunged

unprepared into a depression and despair which crushed its society for almost twenty years and left ineradicable scars upon its consciousness.<sup>3</sup>

Wales had experienced, like nowhere else in the UK, the dangers of following the dictates of the market without the provision of adequate safeguards, properly informed by a long-term view. An opportunity had arisen and investment had followed, quickly transforming local communities. These had become dangerously undiversified mono-economies, desperately vulnerable if the market were to transfer its affections, which, of course, in the traumatic 1920s is precisely what it did when oil began to replace coal as a means of raising steam and older and less efficient methods of iron and steelmaking were abandoned, resulting in sweeping closures across both industries. Male unemployment rose to more than 70 per cent in Merthyr, and the suggestion was seriously made that the town be abandoned. Nearly half a million people left south Wales, mainly for the Midlands and south east of England.<sup>4</sup>

### **Extraordinary solutions**

At the end of the First World War Bevan did not see the state as the ultimate answer to Wales' problems. Influenced by the likes of Noah Ablett, he believed that it was possible to bring transformation from the bottom-up through the workplace. However, the impact of the extraordinary intensity of the economic traumas of the '20s, and what he had learnt while a student at the Labour College in London caused Bevan to reassess syndicalism and conclude that decentralist solutions would not work. More drastic action was called for.<sup>5</sup> In particular, the experience of the General Strike led Bevan to the opinion that if an economy was in real difficulty and employers were happy to lay-off a huge proportion of the workforce, it would be impossible for the working class to exercise the kind of influence from the workplace suggested by syndicalism. In the dysfunctional context of the inter-war period the decentralist solutions of the past seemed too weak. The centrally aggravated problems (thanks to the decision to put Britain back on the Gold Standard) required a centralist rather than a decentralist solution. In this context the working class had no option but to realise their objectives through the state.

The localist philosophy of the people of Wales, which had long sustained a strong sense of community, was obscured in the inter-war period by the peculiar violence wrought by market fundamentalism. If Wales had not been exposed to the very unusually destructive consequences of the market at this time, Bevan might have qualified his position. The scale of the problem was very unusual but required a solution that was consistent with it and helped to preserve the Welsh way of life.

Of course, the defenders of Bevan argue that community is precisely what big state solutions were designed to protect but it was a different and much weaker kind of community than that nurtured by decentralism.

### **Bevan's big society**

Even though Bevan used the inter-war crisis to justify statism, at the same time he vigorously promoted big society, localist solutions, such as the Tredegar Valley Miners Welfare Committee which he chaired and which became a key body in the lives of local people, especially during the General Strike. Indeed, in what was a rather anti-statist approach, Bevan was determined that Union provision should out-do that of the local authority. This would surely impress the authors of the Coalition Government's Localism Act and the Community Right to Buy and the Community Right to Challenge provisions, addressed in chapter 4:<sup>6</sup>

Belatedly, some members of the 'Independents' majority on the town Council protested that Bevan had pre-empted functions which should have belonged to the council but they could not pretend that they could have discharged them better. The "system of feeding", the *Argus* commented, "is admirable and ideal." "The fact is" a councillor admitted, "Aneurin Bevan has been too smart for us. We are absolutely whacked."<sup>7</sup>

Bevan was also much involved in the Workmen's Institute which provided an array of key local services. As his biographer John Campbell notes:

'Despite the depression, indeed to help alleviate it, the Institute expanded throughout the inter-war years ... In 1931 a new book room was added, with open access, and a bigger billiard room, with seven tables instead of two; in 1934 two more branches were opened; and in 1937 the old Temperance Hall was entirely rebuilt with an 800-seat cinema (also used for meetings and shows). Offering more and more varied activities, the Institute was the focus of town life and to Bevan an ideal of community socialism.'<sup>8</sup>

There was also the Tredegar Medical Aid Society of which Bevan was very proud:

'Miners and steelworkers paid 3d in the £, deducted from their earnings, while other workers, teachers, shopkeepers and the like, paid a larger subscription direct to the society, which entitled them to free medical treatment in hospital facilities. The society employed its own doctors, six of them - to the extreme annoyance of the BMA...'<sup>9</sup>

Thus, although Bevan came to be associated with the big state, this part of his experience ought not to be focussed upon to the exclusion of others. In making the Tredegar big society a reality, Bevan arguably gave expression to a more fundamental Welsh commitment to an organic, bottom-up, decentralist vision of community. The pride with which he used to look back on his Tredegar achievements rather suggests that in some senses he was at heart a big society enthusiast.

At the same time, the fact that while doing so he espoused big state solutions, suggests that, in the long run, he believed the big state would be more likely to deliver. His new statism was a response to a completely unprecedented socio-economic crisis that called for equally unprecedented new policies. If he had lived longer and seen more of the impact of that statism, he may, along with some of his Welsh Labour colleagues, have felt the need to re-emphasise the benefits of a more local approach.

### **Jim Griffiths**

Although he never achieved the iconic stature of Bevan, Kenneth Morgan describes Jim Griffiths as 'the most influential Welshman ever to rise to prominence in the [Labour] party hierarchy'.<sup>10</sup> His roles included Minister of National Insurance, where he (with Bevan) laid the foundations for the UK welfare state in the 1945-51 Labour Governments, member of the Labour Party national executive, deputy chairman of the Labour Party and between 1964 and 1966, the first Secretary of State for Wales. Like Bevan, Welsh-speaking Griffiths was formed by the inter-war years but was more moderate in style and more sensitive to the needs of his Welsh culture.

It is clear from Griffiths' own writings that he ultimately saw himself as a Radical Liberal, and Labour as a means of giving expression to this tradition. To this end, one of the last political documents he wrote - possibly the last - concludes with a very interesting paragraph:

'I feel that Labour has a duty to join with others in Wales to preserve our language and the culture that derives from it. The radical Liberal forces of the 19th Century nurtured the democratic radicalism which we in Wales have inherited. Expressing it in political action fell mainly to the Labour Party then as now. There is much to be done at home and in the wider world, and in this a strong British Labour movement depends on the strength of the Welsh Labour movement. To my comrades in Wales - who through the years have been so generous to me - my message is '*Guard*

*our Inheritance*'.<sup>11</sup>

J. Beverley Smith noted that after six years in a government primarily concerned with material goals, serviced through big state means, Griffiths began to give more expression to his radical Liberal, bottom-up ethic. In 1951 he spoke to his union about his continued interest in the 'the extension of real democracy into the sphere of industrial and economic life', suggesting that this Welshman certainly had not forgotten, or given up on Noah Ablett.<sup>12</sup> He reminded his fellow miners that:

'...the Union was envisaged as an instrument through which the miners should join with the technicians and managers to create a partnership in the running of the industry... he saw the need for a new commitment to the building of those bridges which would "carry us from political to industrial democracy"'.<sup>13</sup>

Smith attributes a significant and distinctively Welsh commitment to a bottom-up approach in both Griffiths and Bevan. He argued that:

'... he [Griffiths] represented, along with Aneurin Bevan, a tradition in the thinking of Welsh industrial society in which a new order in industry would be achieved not merely by the creation of a state corporation akin to that by then achieved through nationalisation but by a more radical redistribution of functions between management and workers'.<sup>14</sup>

He also argued that while there were differences, one could detect in Griffiths and even in Bevan, the residual influence of the syndicalist tradition.

'One might at least invoke the words of Ablett in which he envisaged that situation beyond mere nationalisation, "where knowledge, discipline, solidarity are all blended and harmonised to make possible the capture of society and the emancipation of the working class". Moreover, we find in both Griffiths and Bevan an explicit appeal to the ethical and the spiritual values which again formed an essential part of their inheritance and which endowed their words at this time with an emotive quality which was noticeably absent in the pronouncements of their more influential colleagues'.<sup>15</sup>

With the fall of the 1951 Labour Government there was a time for reflection and Griffiths in the foreword to a new book, *Socialism: A New Statement of Principles*,

pointed back to the Radical Liberal roots of early Socialism in the 1880s. 'The growth of Socialism after 1880,' he wrote '...was not a single narrow stream of thought but a broad flow of many currents.' Smith comments:

'He himself had already given expression to that current of thought which lay emphasis upon the relevance of the quest, not for material gain alone but for that deeper satisfaction which stemmed from a fuller realisation of the creative energies of humanity'.<sup>16</sup>

In the foreword Griffiths went on to identify two key themes, neighbourhood and the need to focus on goals that were not merely material:

'There is a longing for the recovery of the spirit of neighbourhood, the sense of belonging to the community and of being part of its life. This is the spirit, the urge not only for material well-being but for the realisation of the deeper purposes of life that has inspired this new statement of the Socialist purpose.'<sup>17</sup>

## **Neighbourhood**

In 1939 during a Commons debate Griffiths stated, 'I am not merely a Labour man. I am more than a member of the Labour Party... I am also a Welshman.'<sup>18</sup> Indeed, he regarded Wales as a community of communities. In *Welsh Politics in my Lifetime*, he illustrates this by writing tenderly about two troubled communities: Blaina in Monmouthshire, dependent on coal and devastated by the closure of its mines in the 1920s; and Blaenau Ffestiniog in Meirionydd, equally reliant on slate and seriously impacted by tuberculosis because of the damp and the high rate of silicosis among the quarrymen. He wrote:

'They had something of the same quality in their folk and their community. It is difficult to describe in words; it was a quality nurtured by their sense of neighbourliness, their religion, their culture and the feeling one sensed that they would never again be what they once had been.'<sup>19</sup>

## **Beyond the material**

As the author of one of the key provisions of material security, the National Insurance Act 1946, Griffiths was particularly well placed to recognise the limits of narrow materialism:

'The quest for security in adversity, now largely realised by social legislation, had now yielded to a search for that "something beyond mere security" which he had envisaged when he introduced the National Insurance Bill in Parliament. This need remained, and it was indeed underlined in the period of apparent affluence which lay ahead.'<sup>20</sup>

In this rejection of a narrow materialism there is recognition of the need to exhort people to be active members of their communities, accepting duties as well as rights, giving as well as receiving:

'The kernel of his message was the need to secure for Labour the radical liberal vote. The radical tradition was for him an important part of Labour's heritage and it had to be nurtured. The Labour party should be "the guardian and the expression" of the radical spirit; it was the party's task to build upon the foundations of the Welfare State "*a new, vigorous and vital democratic society in which all will find opportunity to give and serve*".'<sup>21</sup>

This Welsh Radical Liberalism did not espouse a statism that would foster a passive citizenry but one that was active. Griffiths was also keenly aware of the dangers of aspects of human existence becoming too big and inhumane. In his foreword to *Socialism: A New Statement of Principles*, he argued that behind the longing for community was:

'...a feeling that things are becoming too big – and man too small. The machine in the mine or the factory dominates the individual; the town grows too big to give us the feeling of belonging. There is a desire to count and to give, in other words to live out our lives in freedom and fellowship.'<sup>22</sup>

Towards the end of his life Griffiths expressed the same concern, in political as well as industrial terms.

'The ordinary man feels that both in industry and politics power is becoming ever more remote from him and from his community; he finds that in politics the units are becoming larger in local and in national government, and that in industry the big companies and the effects of the technological revolution on his livelihood have devalued his craft and skill... The fear of bigness and remoteness... [which, he argued, includes the necessary engagement with the EEC] ...may be a strong lever toward devolution of political authority, and if Labour does not promote a measure of self-government for Wales this revolt against remoteness may drive our supporters into the ranks of, and voters for, Plaid Cymru.'<sup>23</sup>

## George Thomas

George Thomas - best known as one of Parliament's most celebrated Speakers - but holder of a number of ministerial positions including Secretary of State for Wales, also provides a fascinating commentary on the big state. Growing up in the Rhondda during the inter-war years he experienced the full force of the extraordinary traumas of that time and not surprisingly was attracted to extraordinary big state solutions. Yet, like Griffiths he recognised their shortcomings very early on. Thomas understood that big state solutions could only work if they factored in the importance of the individual and the bottom-up - something that, on the basis of his comments, he did not appear to feel was happening in practice. He talked about this during the 1950s in the context of a discussion about the importance of the values espoused by individuals and their communities informing their interaction with the state. As he put it, 'Only as men hold the right moral and social values is it possible to operate a Welfare State, and these are linked directly with religious faith.'<sup>24</sup> Later he elaborated further:

'The obligation of social conscience is required as much from the masses as from the privileged: the requirements of honesty in the use of our social services, in giving a full, fair day's work for a fair day's pay, in the honouring of agreements - in short, the obligation to pull our full weight. These are foundation necessities if the Welfare State is to continue. In place of the dynamic of a crusade against social injustice and degradation we need a spiritual revival, which will keep men conscious of their social responsibilities in the new setting. This is neither as stirring nor as self-evident as was the challenge of poverty a generation ago. It is much harder to stir men with full bellies than to stir the hungry. Social security suffocates peoples if it is not inspired by Christian values. Opportunity for service has not dried up: it never will. Even in a Welfare State resting on the principle that every person counts and is entitled to a minimum of social justice there is still dire need of a keen social conscience... Social security must provide a greater impetus to service if the fibre of our character is to be strong and durable. Self-interest is never enough inspiration for a man who is a man. To limit one's horizons to self-concern is to miss the real tang of living.'<sup>25</sup>

Here again we see the same emphasis - only developed more strongly - as in Jim Griffiths' writings, espousing the need for a bottom-up activism that the big state must not displace or suffocate. These comments about personal responsibility were prophetic and chime with thoughts expressed by Iain Duncan Smith, Work and Pensions Secretary in today's Conservative-Liberal Democrat coalition, and those of others wrestling with the challenge of benefit reform.

Thus, while there is no denying the centrality of Labour to Wales post 1918, and its newfound enthusiasm for statism, an organic, bottom-up, and rooted local community emphasis both preceded and existed awkwardly alongside that statism. This tradition can be clearly observed in the thinking and experience of leading Welsh Labour politicians such as Jim Griffiths and George Thomas, who felt the need to issue warnings about uncritical dependence on big state solutions. If Wales had not been visited with such devastation during the inter-war period, it might not have turned to such extraordinary solutions. Instead it might have found a way to address its challenges in a manner more in keeping with the traditional Welsh commitment to local communities.

### **The big society: Plaid Cymru and beyond**

If the Welsh Labour position is rather more nuanced than one might expect, what about the other non-Conservative bases for decentralism in Welsh politics? Other Welsh thinkers – especially those linked to Plaid Cymru – have also sought to maintain and champion the historic, decentralist, localist, community of communities tradition which resonates so clearly and so positively with the big society.

### **Saunders Lewis**

Saunders Lewis, celebrated Welsh academic and the second president of Plaid Cymru, was committed to the notion of Wales as a community of communities whose moral basis exists prior to the state. Reflecting on Lewis's politics, Dafydd Glyn Jones argued that his vision of Welsh social order was characterised by:

'...inter-dependence, co-operation and the free association of organic or functional groups. Lewis's *Canlyn Arthur* conceives of the nation as a community of communities, in which a multiplicity of lesser associations such as the family, a church, or a professional or trade union come between the individual and the state and thereby protect the individual person's freedom of thought and action.'<sup>26</sup>

Jones then quotes from *Canlyn Arthur* directly, providing an English translation:

'Family and tribe existed prior to the state, and voluntary organisations existed prior to the authority of sovereign government... A nation's civilisation is rich and complex simply because it is a community of communities, and for that reason also the freedom of the individual is a

feasible proposition... His liberty depends on his being a member not of one association but of many. The main aim of social policy, therefore, should be to strengthen the lesser associations, in particular the family.<sup>27</sup>

There are real parallels here with current big society thinking. The Government should work to strengthen those associations that existed prior to the state and never eclipse them. The state should exist to serve people; people should not exist to serve the big state. Lewis was not slow to point out when state actions were actually undermining associations like the family that they should serve. Jones explained that in Lewis' writings:

'It is mainly through the agency of the schools, we are warned, that the state has taken on itself those responsibilities towards children which parents have for centuries accepted as part of their life duty. The school welfare services are attacked as being un-Christian and inimical to a free society; they represent "the awful humanitarianism which kills humanity, the very plague of our day and age".<sup>28</sup>

It is a topsy-turvy logic, Saunders Lewis argues, by which government appropriates to itself obligations traditionally regarded as those of parents, and at the same time encourages educational institutions to abdicate their traditional and legitimate function of ensuring that children know something of their country's history and culture, and are trained in the competent use of their own language. What then should government do? Jones again quotes Lewis directly from *Canlyn Arthur*.

'It is not the function of a country's government to create an integrated system and an economic machinery for the people to accept and conform to. The task of government is actively to create and sustain the conditions which will provide an opportunity, a lead and an encouragement for the nation itself to develop that system which is consistent with its ideals and traditions, and which will be a means of securing the welfare of society and the happiness of individuals.<sup>29</sup>

Thus, in Lewis's thought, 'the state, which is a machine or an agency, is made clearly subservient to the nation, an organic being conceived on the model of a human person'.<sup>30</sup> He consequently struggled with the movement in Wales towards big state socialism during the forties, fifties and sixties. Trusting in the state to provide for all one's needs in the way suggested by the followers of Bevan and others could not but risk placing the social ecology of Wales and Welsh life in jeopardy. As Dafydd Glyn Jones put it:

'To left-wing Wales now in the process of abandoning its Liberalism and going over *en masse* to the Labour Party, he declares that the principle of conservatism and nobility, and the communion of generations, constitutes the greatest achievement of all human life. In an unbroken tradition lasting a thousand years, the Welsh poets, in their praise for princes and gentlefolk, have celebrated this principle.'<sup>31</sup>

There are pronounced similarities between the intellectual father of modern Welsh nationalism and the father of modern Conservative political thought, Edmund Burke. Although it may come as a shock to some, the neo-Burkean resurgence that is animating the new big society, strong families, and strong civil society agenda resonates very readily with traditional Plaid Cymru.

### **Gwynfor Evans**

Gwynfor Evans, longest serving president of Plaid Cymru and its first Member of Parliament, upheld and championed this decentralist tradition. He wrote that Labour's statism:

'...was starkly opposed to Welsh nationalist policies, which are decentralist through and through, favouring the widest possible distribution of power. Freedom and co-operation was our slogan. The Wales we sought to create would be a co-operative commonwealth in which local government would enjoy the maximum possible power.'<sup>32</sup>

Evans was clear that in the Welsh tradition community is all-important:

'Community has a venerable place among Welsh values and the concept is central to nationalist ideology. *Cymdogaeth dda*, literally good neighbourliness, has always been a highly prized quality of Welsh rural and industrial communities, expressed in a warm concern for distressed members of the community. Its prevalence in the mining valleys was an early discovery for me. Then I found it permeated rural Wales, too. Soon after I went to live at Llangadog a fire destroyed the small home of a family whose daughter worked for me. Immediately a spontaneous movement in the neighbourhood raised money to rebuild the house. I learnt that people customarily rallied round those struck by illness or who met with a serious accident or a tragic bereavement, giving them substantial help and support. Communal help was the order of the day at harvest time or

sheep-shearing. In the Middle Ages communal help was institutionalised in Cymhortha, one of the “sinister usages and customs” which the 1536 Act of Incorporation tried to eliminate. Professor Raymond Williams, whose thinking was so Welsh, wrote of the neighbourliness of his home district of Pandy near Abergavenny as, “a level of social obligation which was conferred by the fact of seeming to live in the same place and in that sense to have a common identity”.<sup>33</sup>

As well as highlighting the story of the family at Llangadog, Evans also related that of Dr Gomer Roberts, the historian of Welsh Methodism, who, during the 1920s, worked in the anthracite coalfield. He was helped to go to college by six fellow miners, one of whom was Amanwy Griffiths, Jim Griffiths’ brother. They were all poets and clubbed together to publish a book of their poems. The profits were given to Gomer Roberts to enable him to pay his fees – a great example of a social enterprise. This story demonstrates a highly developed sense of community culture on at least two bases. Firstly, the fact that the men were miners and poets, publishing their own book suggests a real sense of culture.<sup>34</sup> Secondly, the manner in which they co-operated together to raise funds which they then gave to release a promising student from the mines, suggests a strong sense of community spirit.<sup>35</sup>

Evans declared: ‘Few now remember how rich the culture of the anthracite coalfield was.’<sup>36</sup> He then went on to provide a very interesting observation, courtesy of H.N. Brailsford. ‘It was his knowledge of this popular intellectual Welsh culture that impelled H.N. Brailsford, the great Socialist, to say after a debate in the Neath Gwyn Hall on the nationalisation of the coalmines versus co-operative ownership and control, that the latter would be practicable in Wales – though not in England, “because your people have culture”.’<sup>37</sup>

The communal focus above is very apparent in Evans’ approach to economics which was much concerned with nurturing local community from the bottom-up rather than the top-down via big state centralism. The co-operative ideal was of supreme importance, as he explained. ‘The concept of community underlies Plaid Cymru’s radical decentralism and co-operative socialism (cymdeithasiaeth).’<sup>38</sup> Later he continued: ‘Nationalists urged local authorities, especially in the industrial areas, to take the initiative themselves in reconstructing the economy under the aegis of Co-operative Public Utility Boards on the Belgian model.’<sup>39</sup> They were also very much inspired by the model of the Tennessee Valley Authority which was a similar size to Wales and approached its region ‘as an organic entity, viewing its life and resources, economy and culture as a seamless web ...The TVA followed a radically decentralist

policy, for which Welsh nationalists had long pleaded'.<sup>40</sup>

Evans argued that great opportunities for co-operatives arose as economic challenges threatened nationalised coalmines with closure. This proposal came to a head when the Cwmllynfell pit, which produced the best red vein anthracite coal in Wales, was threatened with closure in 1962. Under Evans's leadership, Plaid proposed that it should be run as a co-operative along lines similar to those of Noah Ablett's *The Miners' Next Step*. However, the proposal was roundly rejected by both the Conservative Government of the day and Labour. Evans relates with pride how, the failure to get acceptance for the co-operative principle did not prevent Plaid establishing its own co-operatives:

'Its members often set up co-operatives, including three in Merioneth, the creamery at Rhydymain, a woollen factory at Dinas Mawddwy and a printing works and local paper in Dolgellau. In Glamorgan, Plaid established co-operatives at Mountain Ash and Merthyr Tydfil.'<sup>41</sup>

Evans's vision, and that of the party he led, did not merely seek to apply the principle of decentralism to economics and its governance but also to politics generally. For this reason he was deeply committed to local government. As he put it:

'In the view of its founders and members power should be shared as widely as possible in a decentralist participatory democracy: local power should be extended rather than diminished... the wellbeing of local communities demanded that they should enjoy a measure of autonomous self-government'.<sup>42</sup>

He argued further that the size of local government should be limited so that it engaged with a real sense of community:

'In the party's view the national community and local communities, on which central and local government should be based, should be small enough to have a sense of belonging, carried by a sense of history.'<sup>43</sup>

Interestingly, Evans points out that Plaid's first major publication on local government *Local Authorities and Welsh Industry* provides a synthesis of both the above emphases, urging local authorities to create employment via local co-ops.<sup>44</sup>

## Ioan Bowen Rees

Ioan Bowen Rees held a number of senior local government posts, including chief executive of Gwynedd County Council, was a one time Plaid candidate and also served as a member of the National Assembly Advisory Group during 1998-9. In the early 1970s he responded to the reduction in the number of authorities proposed under reorganisation of local government by producing an important book, *Government by Community*.<sup>45</sup> This impressive treatise, complete with a foreword from Professor Max Beloff, then professor of government at Oxford University, drew out the centrality of the locality in Welsh political thought. The book focused on the erosion of local government competencies. It argued against the separation of local governance from meaningful bases of community which, it contended, was the result of a quest for ever larger units and economies of scale. Rees argued there were:

‘...two fundamentally different ways of looking at local government, from the top-down and from the bottom-up. Those who look from the top down consider that the whole authority of the state is concentrated at the centre. For them the centre is the only legitimate source of power: it is from the central government that local authorities receive their powers; indeed the central government actually creates the local authorities, dividing up the state into more or less uniform divisions in the process. The central government does this for the more efficient and economic provisions of its service. It involves the leading citizens of every locality in the business of government, not so much in order to hear their views, as in order to embrace them and make them identify themselves with the system. This school of thought might be called the classical school of government. It is more interested in efficiency than a democracy, in uniform standards than in local responsibility; it regards the citizen more as consumer of services than participant in government. Even at its best, it is apt to be patronising’.

‘The opposite is true of the other school, the romantic school, as it might be called or, in some countries, the historical school. This school sees the state itself as a conglomeration of localities, each of which has, it is true, surrendered much of its authority to the centre, but each of which retains some authority in its own right as well as a basic identity of its very own. The romantic school places the emphasis on local authorities as nurseries of democratic citizenship, revels in diversity and local initiative, is impatient of central control and wishes to involve the citizen in government, not so much to bring him into contact with the state as to foster his self-reliance.’<sup>46</sup>

Rees contended that the Welsh approach to local governance constituted a clear example of the romantic rather than classical tradition. This is informed by a commitment to a decentralised vision of community served by a cultured people with a strong commitment to family and access to education. He observed that Wales:

'...enjoys those social advantages which are usually associated with mountains and with mining valleys – a pronounced sense of family and community, plenty of practice in democracy, the remnants, at least, of a common culture and an appreciation of education that cuts across class, even where its eye is on the main chance'.<sup>47</sup>

Later in the book, developing the same theme, he wrote:

'Though Wales in modern times is largely individualist, we cannot but feel that it has been the land of cyfraith, cyfar, cyfnawdd, cymorthau and cymanfaoedd [law, xxx, mutual protection, acts of assistance, community festivals], the land of social co-operation, of associative effort... It is significant that the initiator in Britain of the movement for collective and municipal activity in the common effort for the common good was Robert Owen, who embodied in these latter days the spirit of the old Welsh social economy.'<sup>48</sup>

Rees went on to highlight two further bases in Welsh culture for the importance of a decentralism that respected the locality and the wishes of its people, one pertaining to the history of governance:

'The voluntary principle runs deep into Welsh life. Before the conquest of 1282, few of our leaders had achieved much success in building up a unitary Welsh state: in England, the primary unit was England... in Wales the primary unit was the commote, an area which might on occasion be no longer than a single parish, and whose name is the basis of the Welsh word for neighbour.'<sup>49</sup>

The other was to its religion:

'Organised religion carries comparatively little weight in Wales today but the political ethos of non-conformity still colours social attitudes over much of the country. People who have seen for themselves that ministers of religion subject to little, if any, central supervision and control are in no way inferior to those of the hierarchical churches are likely to be sceptical about the

difference which more administrators and advisers can make to the quality of teaching in schools or to the work of social workers in the field. People who have been used to taking a vote on every question from the selection of visiting preachers to the cost of a new organ – and to discussing abstract questions like ‘Are there degrees of sin?’ without expert guidance are going to have a bottom-up, localist predisposition’.<sup>50</sup>

He then observed in a footnote:

‘Of all the religious denominations, the most unauthoritarian and, indeed, anarchic of all – the Congregationalist – probably has not only the best educated ministry but the ministry most receptive to new ideas. Each Congregational congregation is completely autonomous and directly democratic, while the Welsh Congregational Union itself is a voluntary organisation which anyone can join as a voting member, and which has only persuasive powers over the affiliated churches. Autonomy does not mean isolation, however, and one wonders whether social workers and teachers would not be happier and more efficient as independent contractors (individually or in partnership) than under the direct supervision of directors, a point not without relevance to the question of local authority areas.’<sup>51</sup>

This latter point is fascinating because it seems to anticipate the new Localism Act and specifically the Community Right to Challenge although this only applies to England (see chapter 4). In reflecting specifically on the proposed changes to local authority boundaries, Rees recognised:

‘Wales has more to gain than most countries from putting her system of local government right and more to lose than most countries from not doing so. That the doyen of the Welsh nationalist movement, Saunders Lewis, should have placed so much emphasis on the nation as a society of societies, or a community of communities suggests that the Welsh concept of nationality itself is less artificial, less illusory, less inimical to local reality than such concepts have sometimes proved to be. That a man like Raymond Williams from the border country of Monmouthshire is so preoccupied with the development of a common culture and communities which govern themselves, and are not governed by Them, suggests that the emphasis on government by community is something which unifies Wales across all those divisions of language, background and philosophy which make

Welshness, in all its variety, at once so well worth preserving and so difficult to preserve.<sup>52</sup>

### **John Osmond**

John Osmond, journalist, prolific author and Director of the Institute of Welsh Affairs, makes a very similar set of observations beginning with the primacy of the locality in Welsh political thought:

'The basic community, beyond the family, is to be found in locality which is infinitely variable in terms of size, though it tends to be small. If there is one thing that unifies the people of Wales who, considering their relatively small number are amazingly diverse, it is their preoccupation with locality and community. They are an abiding theme in the work of Welsh writers, both in Welsh and in English.'<sup>53</sup>

Conscious that this seemed rather odd, given the association of Wales with the statism of Nye Bevan, Osmond was at pains to point out that it was not always this way:

'The early Labour movement was decentralist in its political outlook. But the Independent Labour party and the idealist vision of its leaders like Keir Hardie was crushed by the First World War. On the ruins was built the modern Labour party with its commitment to centralised state socialism. The decentralist ideas of thinkers like GDH Cole lost out to the centralism of the Webbs. In Wales the victory was not so immediate or complete but its eventual triumph was symbolised by the emergence of Aneurin Bevan as a key myth figure of Welsh Labour politics.'<sup>54</sup>

Later in his book *Creative Conflict* (1977) Osmond reflects further on this theme:

'Viewed from perspectives of the last quarter of the 20th Century, it may seem that socialism has been moving always in the same direction, always towards the centralisation of power and the increasing authority of the state. This impression indicates the predominance of Marxist socialist thought: not for nothing were the early Marxists called Authoritarians. But... there is another socialist tradition. Known variously as libertarianism, mutualism, federalism, decentralism, syndicalism, or anarchism, the tradition has a greater relevance to modern Western European society than the Marxist. Indeed, its reassertion is a major philosophical undercurrent of the politics

of devolution. And it is no coincidence that the tradition is especially strong in Wales.<sup>455</sup>

While there is certainly a statist current in remaining Welsh political thought, this should not obscure the fact that: in the long view, a bottom-up, community of communities ethic is more significant and remains very much alive. Far from being an alien English import, the big society is, in a very real sense, more Welsh than English. Indeed, the big society presents an approach to policy development that has a highly relevant contribution to make to addressing the serious contemporary challenges that Wales faces. The big society also provides a way of renewing our traditions and identity. It arguably has more to offer Wales than any other part of the UK.

The big society's Welsh pedigree is, therefore, clear. How it might contribute to what is probably Wales' greatest public policy challenge - economic development is considered in the next chapter.

## Notes

- 1 100 Welsh Heroes was a poll run in Wales as a response to the BBC's 100 Greatest Britons poll of 2002. The Welsh poll was carried out mainly on-line between 8 September 2003 and 23 February 2004. The results were announced on St David's Day, 1 March 2004.
- 2 Dorian Llywelyn, *Sacred Place, Chosen People: Land and National Identity in Welsh Spirituality*, Cardiff, University of Wales Press, 1999, chapter 4. The same idea behind the 'Wales Israel paradigm' is alternatively expressed as the 'Wales as Church paradigm'. Crucially, it was not the result of the banning of Welsh in all official contexts bar church in the 16th Century. The tendency is clearly evidenced long before then in the writings of the sixth century monk, Gildas, the and others. However, the 1536 linguistic division of labour created a new environment that formed an imperative to see Wales and Welsh identity in spiritual, otherworldly terms.
- 3 Kenneth O. Morgan, *Rebirth of a Nation: A History of Modern Wales*, Oxford, Oxford University Press, 2002, page 210.
- 4 *Ibid*, page 231.
- 5 John Campbell, *Nye Bevan: A Biography*, Richard Cohen Books, 1997, p18; and Aneurin Bevan, *In Place of Fear* (1952), Quartet Books, London 1978, pages 40-41.
- 6 Crucially, this must be seen in the context of the strong co-operative movement in Wales at the time, see, for example, Dot Jones, 'Self-Help in Nineteenth Century Wales: the rise and fall of the Female Friendly Society,' *Llafur*, Volume IV, 1, 1984, pages 14-26; and David Lazell, 'The slogan was 'Genuine Service': The Pontycymmer Co-op Society in its Great Days,' *Llafur*, Volume IV, 1, 1984, pages 27-34.
- 7 John Campbell, *Nye Bevan*, page 23.
- 8 *Ibid*. page 21.
- 9 *Ibid*.

10 Morgan, *Rebirth of a Nation*, p.281.

11 James Griffiths, 'Welsh Politics in my Lifetime', page 57, in J. Beverley Smith et. al., *James Griffiths and his times*, 1978.

12 J Beverley Smith, 'James Griffiths: An appreciation,' in *James Griffiths and his times*, page 98.

13 *Ibid.*

14 *Ibid.*

15 *Ibid.* pages 98-99.

16 *Ibid.* page 101. Smith seems to have a different version of the foreword from the one I have located, *Socialism: A New Statement of Principles*, Presented by Socialist Union, London, Lincolns-Prager, 1952.

17 Foreword to *Socialism: A New Statement of Principles*, 1952.

18 J. Beverly Smith, *James Griffiths and his times*, pages 107-108.

19 Griffiths, *Welsh Politics in my Lifetime*, page 50.

20 J. Beverly Smith, *James Griffiths and his times*, page 103.

21 *Ibid.* page 100.

22 Griffiths, *Socialism: A New Statement of Principles*, page 10.

23 Griffiths, *Welsh Politics in my Lifetime*, page 55.

24 George Thomas, *The Christian Heritage in Politics*, London, The Epworth Press, 1959, page 52.

25 *Ibid.* pages 76-77.

26 Dafydd Glyn Jones, 'His Politics', in Alun R. Jones and Gwyn Thomas (Eds.), *Presenting Saunders Lewis*, University of Wales, 1973, page 34.

27 *Ibid.*

28 *Ibid.* pages 34-35. It is very unlikely that he would have approved of Plaid Cymru's decision to vote against including a reference to the role of parents in the Children and Young People's Rights Measure 18 January 2011, division on amendment 8.

29 *Ibid.* page 35.

30 *Ibid.* page 36.

31 *Ibid.* page 49.

32 Gwynfor Evans, *Fighting for Wales*, Y Lolfa, Talybont, 1991, page 54.

33 Evans, *Fighting for Wales*, page 67.

34 Another example of the importance of culture and community in inter-war Wales is demonstrated by the reflections of George Thomas about his first day at Tonypandy Higher Grade School. 'As I approached the school gates on my first day, I was surprised to see all the bigger boys doffing their school caps to the road sweeper who was brushing the pavement and gutter. I duly copied them but asked one big boy, "Why do we take off our caps for him? He's the road sweeper." It was a snobbish attitude to take, but I had a lot to learn. When I was told, "He won the Chair for Poetry at the National Eisteddfod. He is a great man", I felt ashamed of myself.' George Thomas, *Mr Speaker: The Memoirs of Viscount Tonypandy*, Arrow Books, London, 1986, page 25.

35 This story actually became the basis for the charming Paul Dickson film *David* released in 1951 as Wales' contribution to the National Festival of Britain. The cast includes, for the most part, the residents of Ammanford and Mr Griffiths and Gomer Roberts.

36 Evans, *Fighting for Wales*, page 76.

- 37 *Ibid.* Interestingly Jill Craigie's 1949 film *Blue Scar* reflects something of a disappointment in Wales that the 1945 Labour Government chose to nationalise coal rather than introduce a syndicalist/co-operative solution.
- 38 Evans, *Fighting for Wales*, pages 67-68.
- 39 *Ibid.* page 106.
- 40 *Ibid.* page 108.
- 41 *Ibid.* page 80.
- 42 *Ibid.* page 116.
- 43 *Ibid.*
- 44 *Ibid.* page 117.
- 45 Ioan Bowen Rees, *Government By Community*, London, Charles Knight, 1971
- 46 *Ibid.* page 211.
- 47 *Ibid.*
- 48 *Ibid.* page 213.
- 49 *Ibid.* page 212.
- 50 *Ibid.* pages 212-213.
- 51 *Ibid.* page 212.
- 52 *Ibid.* page 228.
- 53 John Osmond, *Creative Conflict: the politics of Welsh devolution*, Gomer Press, 1977, page 11.
- 54 *Ibid.* page 236.
- 55 *Ibid.* page 246.

# The big society and developing Welsh social capital

Having demonstrated that Welsh history and culture provide a particularly good fit with the big society ethic, we now turn to the task of applying big society thought to Wales's poor economic performance compared with the rest of the UK. This chapter considers what a big society perspective can bring to these questions.

## 1. Employment

Wales has long struggled in the realm of employment, as Chapter 1 made plain. Problems were most acute in the inter-war period when Welsh unemployment was twice that of the UK. This trend continued into the 1950s, when, although unemployment generally was very low, Wales still registered between 3 and 4 per cent rather than the 1 and 2 per cent of the UK as a whole.<sup>1</sup> While the differential has narrowed since, Wales continues to struggle with relatively weak employment levels. In November 2011 the Welsh unemployment rate was 9.3 per cent compared with 8.3 per cent for the UK. Meanwhile, the number of people of working age who were at work, that is the activity rate, was 67.7 per cent compared with 70.2 per cent for the UK as a whole.<sup>2</sup>

## 2. Productivity

Again as noted in Chapter 1, the Welsh Government observed in 2002 that Welsh GDP per head was just 80 per cent of the UK average and committed to closing the gap by 10 percentage points by 2012. Far from improving, the situation has deteriorated such that by 2008 GVA per head (Gross Value Added, the new measure which is now favoured in preference to GDP) had actually fallen to 74.3 per cent of the UK average. Wales now has the lowest GVA per head of any part of the UK, behind the North East with 77.4 per cent, and Northern Ireland with 78.9 per cent of the UK average. Hourly productivity in Wales, as measured by GVA per hour worked, was 84.6 per cent of the UK average in 2007.<sup>3</sup> In the latest reported full year, 2009,

the Treasury noted the average economic output per person in Wales was £14,842, compared with a UK figure of £19,977.<sup>4</sup>

Government has very properly responded to these challenges by placing great emphasis on the importance of better education, training and skills. This should have two benefits. Firstly, it should make people more employable and thus make higher levels of employment more likely. Secondly, it should (if the investment in better education, training and skills is prudent) focus on high-tech, high value-adding growth areas which should enable Wales to occupy more secure economic terrain. Certainly, if Wales is to sustain its standard of living, and indeed cause it to grow so that the GVA differential is removed, it must provide new, high value adding services that the poorer countries of the world, with lower wage costs, cannot match. However, it can only do this with a workforce that is better trained than those countries where labour is cheaper.

### **Wales: a learning nation**

In turning to the education challenge it is again important to do so with sensitivity to history remembering the Conservative principle that 'we cannot know where we are, much less where we are going, until we know where we have been'.<sup>5</sup> Mindful of this, Wales should approach contemporary educational challenges from a place of real confidence because it is a nation with a long-term and distinctive commitment to education. This is very clear from its history, as noted by Peter Stead in the introduction. This commitment can be illustrated by three moments from the nation's past.

### **The first university**

In the 5th Century the Welsh abbot St Illtud established at Llanilltud Fawr what was to become one of the main centres of learning in Europe - predating Oxford and Cambridge by many centuries.<sup>6</sup>

### **Circulating schools**

In the 18th Century Griffiths Jones pioneered his circulating schools for the teaching of literacy through Bible-reading. These are particularly interesting from the perspective of this study because of the bottom-up civic energy upon which they depended, and their developmental parallels with big society community franchising, the contemporary application of commercial franchising principles to successful community projects.<sup>7</sup> As the celebrated Welsh academic, Professor Bobi Jones, observed:

'The method for spreading the schools was very effective and snowballed; it consisted mainly of Griffith Jones – or one of his officers – moving from village to village, staying enough time to teach at least a few potential teachers, who would proceed to teach further teachers and so on.'<sup>8</sup>

Jones described Griffith Jones as the greatest Welsh educationalist of all time, noting that, at his death in 1761, 3,324 of his circulating schools were recorded during the 25 years of his campaign, with a total of over 153,000 scholars, not counting evening classes.<sup>9</sup>

This Welsh educational initiative was so successful that its effects were felt as far away as Russia. In 1764 or 1765 Catherine the Great sent a commissioner to Britain, and in the reports produced, the most attractive part is the account of Griffith Jones's circulating schools. It is a fair reflection of the importance of these schools that the attention of the Russian sovereign should have been drawn to them.<sup>10</sup>

### **Chapels and the Aberdare Committee**

The Welsh commitment to education also gained especially clear expression in the 19th Century through the work of the chapels, which did much to encourage learning and fostered an attendant upward social mobility. As Kenneth Morgan points out:

'More important still, the chapels lent to the Welsh national movements of the *fin de siècle* a focus for collective aspiration and action, opportunities for democratic leadership and for social mobility, most of all a self-confidence and a passion for popular education and improvement which represent much of the best of modern Wales.'<sup>11</sup>

The celebrated Aberdare Committee, set up under Lord Aberdare to examine intermediate and higher education in Wales in the latter part of the 19th Century, made crucial contributions in two directions: firstly, towards the formation of Wales' national university, something that was realised partly through mass, bottom-up, public subscription, and of which the nation was rightly very proud; and secondly, towards the development of Welsh schools. As Morgan again notes:

'...by the First World War, Wales was covered with a network of a hundred county secondary schools, and a secondary educational system notably in advance of that of England.'<sup>12</sup>

This commitment to a high level of education for all finds a particularly clear expression in the context of Welsh culture generally, and especially poetry, as seen in the accounts of the miner (Gomer Roberts, Amanwy Griffiths and friends), care-taker (Amanwy Griffiths and the 1951 film *David*) and road-sweeper poets (George Thomas) in the previous chapter.<sup>13</sup>

### **Learning today**

Sadly, recent Welsh educational outcomes in school and their impact on the workplace suggest this momentum has not been sustained. Between 2001 and 2004 the number of people of working age with A-levels was 44.9 per cent for Wales compared with a UK average of 47.2 per cent. Scotland came out strongly on 52.1 per cent, England on 47 per cent and Northern Ireland 42.7 per cent. Meanwhile, the number of working age people with a degree in Wales was 25.5 per cent compared with 27.8 per cent for the UK as a whole. Wales again compared badly with Scotland where the figure was 32.1 per cent but did slightly better than Northern Ireland which scored 24.5 per cent. The figure for England was 27.6 per cent.<sup>14</sup>

Moreover, the performance of Welsh schools has fallen such that it is weaker than that of all the other UK nations and now languishes in the bottom half of the OECD Programme for International Student Assessment PISA league table.<sup>15</sup> The latest (2009) PISA score, for 15-year-olds showed that Wales was slipping back to a point where it was classified as below average in reading and maths. As the Welsh Government website admits: 'The 2009 results paint an extremely disappointing picture of our performance and progress.'<sup>16</sup> Out of the 67 countries taking part, Wales was ranked 38th for reading, 40th for maths and 30th in the tests for science. Scotland was the best for reading and maths of the UK nations, ranking 15th and 21st respectively, while England was top for science in the UK, ranking 16th. Wales's 2009 performance was actually worse in every category, compared with previous years.

Children in Wales seem to enjoy school less than children in England. The Welsh Government's 2008 *Children and Young People's Well-being Monitor for Wales* noted:

'In Wales, 30 per cent of 11 year old boys and 36 per cent of 11 year old girls reported that they liked school a lot. This is significantly lower than in England, where the equivalent figures were 52 per cent for boys and 56 per cent for girls. At age 13, 19 per cent of boys and 21 per cent of girls reported that they liked school a lot, compared with 31 per cent of boys and 33 per cent of girls in England. At age 15, the equivalent figures were 17 per cent of

boys and 19 per cent of girls, compared with 26 per cent of boys and 24 per cent of girls in England.<sup>17</sup>

Unsurprisingly, this also translates into assessments of school friendships. For most of the 41 countries and regions participating in the HSBC study, younger pupils were most likely to agree that their school friends were kind and helpful. At age 15, 55 per cent of boys and 61 per cent of girls in Wales said their friends were kind and helpful (ranked 26th), compared with 68 per cent of boys and 72 per cent of girls in England (ranked 14th).<sup>18</sup>

In the workplace - the place where, in a very real sense, the rubber hits the road - the impact of the skills challenge has been particularly apparent in recent years. Perhaps one of the most worrying statistics was that highlighted by the *Welsh Labour Force Survey 2001-4* which showed that the number of people working with no qualifications was 17 per cent for Wales compared with 14.7 per cent for the UK as a whole. Not surprisingly this figure was highest in the areas that had suffered the inter-war devastation particularly badly. Blaenau Gwent came out top with 26.1 and Merthyr with 25.6.<sup>19</sup> Happily, moving forward to 2009, the Wales figure dropped to 14 per cent<sup>20</sup> but this must be seen in the wider context of the UK figure also dropping to just 11 per cent.<sup>21</sup> Our human capital deficiencies also relate to basic skills. Just one in six of those in the UK labour market lack basic literacy skills, while the Wales figure is one in four - the worst performance of any UK nation.<sup>22</sup>

Why is a nation with such a clear, long-term commitment to education, struggling so much in the context of the skills challenges presented by the knowledge-based economy? It is doubtful that the workers of other industrial economies manifest the passion and commitment for learning famously found among Welsh miners, school caretakers and road-sweepers. Surely, Wales, with such a tradition should have made the transition from an industrial to a post-industrial, knowledge based economy more easily than it has and now be, in some senses at least, well ahead of other comparable nations?

### **The skills imperative**

As noted in chapter 1, big society thought encourages us to conceive of human development and wellbeing in holistic, relational terms. These emphasise the importance of promoting mutuality to combat what Philip Blond, director of think tank Republica, has called the 'social recession'.<sup>23</sup> When approached from this vantage point learning is not merely about imparting facts, it is about the development of the whole person. Thus the human capital (skills) development project must be conceived

in the context of a very basic social capital project.<sup>24</sup> While traditionally government has had an important role to play in the former, the development of social capital has depended primarily on the home and local community.

### **Building social capital**

Anyone addressing the challenge of unemployment, and the higher levels of economic inactivity in Wales today must reflect on the broader economic and global context in which the nation finds itself. Economic globalisation is premised on an economic dynamism which brings huge social fluidity. This can damage the social capital on which it depends, thus undermining long term growth prospects.<sup>25</sup> Discussing this reality in the context of the emergence of the 'sustainable development agenda', Gareth Wyn Jones, the then professor in the School of Biological Sciences at the University of Bangor, observed that although the global economy has succeeded in generating wealth:

'...it has created an economic precariousness and social dislocation for a majority of individuals and communities. This is reflected by crime, drug abuse, communal fear, economic migration, increased investment in personal security and prisons, in a disillusioned, disenfranchised underclass and in a loss of cultural heritage, including many of the world's languages'.<sup>26</sup>

In the context of this precariousness the last forty years have witnessed a curious paradox. On the one hand certain parts of society have benefited from rapid human capital development in the sense that the quality and content of their education and training has risen. On the other hand, there has been a degeneration of social capital through various forms of social breakdown (especially within the home) which has affected people's ability to access hard skills and thus develop into productive economic agents.<sup>27</sup> This has given rise to a new developmental challenge in which it is no longer simply a question of the state investing in human capital development and the home and community investing in social capital development. Governments cannot take the social environment, and therein social capital, for granted and focus simply on the challenge of investing in human capital. They must also invest in social capital development.

In a healthy society children receive social investments from their parents as they grow up into adulthood. These social and relational investments help children to become whole individuals with that critical sense of purpose and ability to further themselves within the educational system. At one time this process would not have

been seen as part of formal instruction and talked of in the economically loaded language of 'investment'. It happened implicitly within the home rather than explicitly through educational programmes. It was not a state responsibility. However, as our social fabric in the home gets into difficulty, there is an increasing need to harness conventional, human capital training strategies to social capital development programmes that, among other things, help to facilitate a sense of identity and a related sense of purpose.

Once empowered with the requisite social and emotional infrastructure, people who at one time were unable to pursue conventional education and a career, are set free to discover their potential, with all that this means for the nation and its economy. Investment in social capital development prepares the way for the latest, sustainable, high-tech, human capital development through school, further and higher education courses.<sup>28</sup>

### **The family in Wales today**

Given the pressure on social capital development, it is absolutely vital that we develop a robust understanding of the home environment, which provides the prime context for child development. This is particularly important from a Welsh point of view given that, as demonstrated in chapter 2, Welsh culture places great emphasis on the family.<sup>29</sup>

### **The rise of one-person households**

Before turning to consider the erosion of social capital in the family with respect to child development, it is necessary to make a more general observation about the erosion of social capital in the Welsh family generally today. The 2011 *Household Estimates for Wales*, states:

'According to the 2010 estimates, one person households have become the most common household type in Wales, making up 32 per cent of households.'<sup>30</sup>

The comparable 2011 UK figure was lower at 29 per cent and as such it was not the most common household type. This was two person households, at 35 per cent.<sup>31</sup> The Department for Communities and Local Government has released England-only figures which state that in 2006 only 13 per cent of people in England lived in one person households and that by 2031 the figure is projected to rise to 18 per cent.<sup>32</sup> This is such a massive disparity that it presumably must be at least partially explicable through different accounting procedures. Nonetheless it suggests that Wales has a

more individualist housing settlement pattern than is the case in England.

In October 2011 the *Western Mail* carried the headline: 'One-person homes now outnumber family homes in Wales'. The article included a comment from the cultural historian Peter Stead who noted that single person households had increased by 48 per cent over the past 20 years which he described as 'an incredible change in Welsh society'. And he added:

'It's astonishing in a way. I grew up in the Wales of the '40s and '50s, where the only people who lived on their own were widows and elderly people. Everything depended on the family - families ate together, families walked to church together, families walking to the cinema. It's an incredible change in terms of society. There's so much entertainment available [today], people spend hours watching TV, hours on the internet, hours on the mobile phone, you can go out on your own. There are options for people who are more at home in that world than they are having contact with other people. It's perfectly possible to choose to live on your own.'<sup>33</sup>

Clearly, the one person home phenomenon does not impact child development directly since, by definition, one person homes are adult households. However, it does speak of an erosion of social capital in the home and the development of a more individualist society, which will not be without cultural consequence for the development of children. Having noted this general household change that is not without consequence for the family in Wales today, we now turn to examine a household change that directly impacts child development.

### **Child development**

The biggest change in family and child-rearing in recent years has been the relationship between the parents. Research suggests that from the 1750s until the 1960s, children born outside of marriage in the UK stood fairly constant at between three and five per cent.<sup>34</sup> Then, from the early 1960s, the numbers started to rise so that by 1971 the figure had risen to 7 per cent in Wales.<sup>35</sup> The pace of change then quickened so that by 2009 (the latest year for which figures are available) it had risen to a staggering 56.6 per cent. Numerically, 19,776 children were born outside marriage and just 15,161 born within. This startling change took place in a relatively short period historically.

In England, by contrast, the proportion born outside marriage in 2009 was still below

50 per cent (45.6 per cent) with 306,320 born outside marriage and 364,738 born within.<sup>36</sup> The figure for Scotland in 2009 was 50.3 per cent born outside marriage (29,710 children), and 49.7 per cent born within, 29,336.<sup>37</sup> In Northern Ireland the figure was significantly lower with 40 per cent, or 9,900, born outside marriage and 60 per cent born within. Therefore, of the UK nations, Wales has the largest proportion of children born to either cohabiting couples or single parents.<sup>38</sup>

These statistics obviously impact on the total numbers of dependent children living in married families vis-à-vis cohabiting or single parent families. In 2009 374,100 or 58.47 per cent of children in Wales lived in married families, 98,000 or 15 per cent lived in cohabiting families and 166,600, or 26 per cent lived in single parent families.<sup>39</sup> This compares with 4,514,000, or 62 per cent of children in the UK living in married families in 2010, 1,097,000 or 14 per cent of children in the UK living in cohabiting families and 1,958,000 or 24 per cent of children in the UK living in single parent families.<sup>40</sup>

Why are these figures important? Obviously they are not great for marriage but why should this be a problem for the family and child development in general? The social science data is very clear that while some children do very well in a single parent context, on average they do significantly worse by every benchmark, including educational achievement, likelihood of getting a job, and likelihood of getting into trouble with the law.<sup>41</sup> Now, of course, because a child is not born to married parents does not mean they are born into a single parent home. Many will be born to cohabiting parents. It is a fact, however, that cohabiting relationships are less stable than marriage. A child born to cohabiting parents has nearly a one in two chance of living in a single parent household by the time his or her fifth birthday. On the other hand, a child born to married parents has only a one in twelve chance of being in this situation by the time of reaching his or her fifth birthday.<sup>42</sup>

In other words, from the perspective of births outside of marriage, the social science evidence suggests that Wales is in the weakest position of all the UK nations to provide optimal child development, with all that this means for education and subsequent economic development. Certainly the financial costs of family breakdown are extraordinarily high, with estimates ranging at somewhere between £20-40 billion a year in the UK. But, as Work and Pensions Secretary, Iain Duncan Smith said in a speech in 2011, what is most painful to see is the human cost – the wasted potential, the anti-social behaviour, and the low self-esteem. The Centre for Social Justice has found that those not growing up in a two-parent family are:

- 75 per cent more likely to fail at school;
- 70 per cent more likely to become addicted to drugs; and
- 50 per cent more likely to have an alcohol problem.

In his speech Duncan Speech added:

'And the Joseph Rowntree Foundation has found that children from separated families have a higher probability of living in poor housing, developing behavioural problems, and suffering from a host of other damaging outcomes, whose effects spill over to the rest of society.'<sup>43</sup>

Responding to those who claim that marriage is actually irrelevant and income the decisive factor, the Under Secretary of State for Schools noted:

'Evidence from the Millennium Cohort Study... suggests that even the poorest 20 per cent of married couples are more stable than all but the richest 20 per cent of cohabiting couples.'<sup>44</sup>

A not unrelated consideration in our examination of child development is the high teenage pregnancy rate. Britain has the highest teenage pregnancy rate in Western Europe and Wales has a higher teenage pregnancy rate than England. The under 16s conception rate (13 - 15) is 7.9 per 1000 in Wales and 7.8 per 1000 in England. The under 18s conception rate is 44.8 per 1000 in Wales and 40.4 per 1000 for England.<sup>45</sup> Teenage pregnancy is a particular problem because it means that children are usually born into a single parent context where the parent has not yet completed her own education and development and is consequently not ready for parenthood. The prospects for children born to teenage parents are very much weaker than those for children born to older parents. Moreover, because the mother has not yet completed her education or been trained for a job, premature motherhood inevitably thrusts the new family into the arms of the state and welfare dependency.<sup>46</sup>

The high rates of teenage pregnancy must be viewed in a generational context where one can see their direct relationship to the lack of formalised commitment between the new parents' own parents. Research demonstrates, firstly, that one of the reasons girls seek intimacy and love through premature pregnancy - that is intimacy and love from both their boyfriend and the child they conceive - is because of low self-esteem and, secondly that this stems directly from a lack of positive relationship with their own fathers. Fathers play an important role in the development of their daughters' sense of identity, especially during their teenage years, and a nation that is more likely to have children growing up without their father at this age (because of its relatively

high levels of cohabitation rather than marriage), is also likely to see higher levels of teenage pregnancy. This lays the foundation for a long term, self-sustaining problem. There is an increased likelihood that the daughters of teenage parents will be brought up in single parent homes, lacking father input during their teen years, and of then consequently going on to become teenage mothers themselves for precisely the same reason as their own mothers - the lack of a 'present' and active father.<sup>47</sup>

Signs of particular difficulty have already appeared on a number of fronts. Firstly, there has been a rapid increase in looked after children. A total of 5,162 children were being looked after in March 2010, a very significant increase of 10 per cent over the previous year and a rate of 82 per 10,000 population aged under 18. The number of looked after children has increased by 44 per cent over the last decade. Moreover, there were 529 children in care on 31 March who had had three or more placements during the year, an increase of 77 children (17 per cent) compared with the previous year. The percentage of children with three or more placements increased slightly from 9.6 per cent to 10.2 per cent. Behind the increase the proportion needing to be looked after because of abuse and neglect rose from 54 per cent in 2009 to 59 per cent in 2010. Other reasons included a family in acute distress or dysfunction (24 per cent), socially unacceptable behaviour (5 per cent) and parental illness/disability or absence (10 per cent).<sup>48</sup>

Secondly, according to the *Children and Young People's Well-being Monitor for Wales* children in Wales seem to spend more time away from their families than children in England:

'Time spent with friends in the evening has been strongly linked with adolescent risk behaviour (for example, substance misuse), but it can also provide opportunities for positive forms of play and recreation. Forty two per cent of children in Wales were more likely to spend four or more evenings per week with their friends. In England the figure was 32 per cent.'<sup>49</sup>

The lack of quality time that children and parents spend together came up again and again in the important IWA publication, *What are we doing to our kids?* The report noted:

'Parents across the focus groups found difficulty in making opportunities for "quality time" with their children, and knowing how to spend it. Marital status was a key determinant. As one parent puts it: "I'm separated from my partner, so I'm on my own now. I work all day and then have my kids all

night. I can really empathise with the 24/7 idea. There's just no respite. I'm not the only one who is looking after their kids on their own. I know a lot of other people in the same boat. So I think looking back when I was growing up everyone was in couples. So I think that impacts on how much quality time you have with your kids".<sup>50</sup>

Given the above, the fact that *Statistics Wales* has projected a 69 per cent increase in single parent households between 2008 and 2033, from 102,000 to 172,000, is a real cause for concern.<sup>51</sup> This compares with an England figure that is a full 10 per cent lower at 59 per cent.<sup>52</sup> The impact of this on child development could seriously undermine our efforts to become a cutting edge, highly skilled, knowledge based economy.

### **Lessons from history**

At this point some readers with knowledge of recent Welsh history might be getting nervous. This is territory that a Conservative sought to address in Wales on a previous occasion. In July 1993 when John Redwood was Secretary of State for Wales the St Mellons estate and single mothers hit the headlines in a very unhelpful manner. The memory of that time might result in some feeling that they have learnt a very important lesson. Don't touch this controversial subject of family structure with a barge poll. However, to draw that conclusion would be to commit an even worse blunder than Redwood back in 1993.

John Redwood raised the possibility that benefits should not be given to single mothers until the absent fathers had been pressed to provide support. There were two problems with his views, or at least how they were interpreted. In seeming to entertain the possibility of denying single mothers benefits until their fathers had been tracked down, his intervention was interpreted as implying the possibility of single mothers being unsupported for a period and of government therefore being very uncaring. At the time Peter Lilley, then Social Security Secretary intervened to make it plain that this was not government policy.<sup>53</sup> Secondly, Redwood appeared to be more interested in punishing absent fathers than in generating proactive, constructive policies to make family life more stable. On top of all this, here was this Home Counties Englishman who supposedly never stayed a night in Wales throughout his time as Secretary of State, this man who seemed all head and no heart, this man who didn't 'do compassion' any more than he 'did the Welsh National Anthem', trying to address an exceptionally difficult issue. What people perceived was unfeeling, cerebral, English condemnation and they wanted none of it.

David Cameron and Iain Duncan Smith, who approach parenting and family structure in a much more constructive and gracious manner, have shown that we do not have to engage with this subject in the Redwood tradition. They always pay tribute to single parents, making it absolutely clear that they know most single parents work incredibly hard and do a fantastic job, often in difficult circumstances, and they are very clear that single parents must be supported in their very important task. There can be no question of targeting them for the removal of benefits.

However, this does not prevent them from going on to do what responsible politicians must do, which is to face up to the average child development outcomes associated with single and two parent families. This leads to searching for ways, not merely to help single parents deal with the huge challenge of bringing up children alone, but also to foster a public policy environment that is profoundly supportive of the option of two parent family parenting and marriage. The aim of David Cameron and Iain Duncan Smith is simply, and very importantly, that under their fiscal policies children should be more likely to benefit from a stable two parent rather than one parent family experience (since this is usually in their best interest) than was the case under Labour.

Governments cannot magically fix broken homes. However, they can foster an environment that is more supportive of two parent families, while not in any way being less supportive of single parents. Equally, they can encourage an environment that undermines them through the couple penalty and failure to recognise marriage in the tax system.<sup>54</sup> One of the most interesting comments on this subject comes from Barack Obama, writing in his biography, *The Audacity of Hope*:

'Many single moms - including the one who raised me - do a heroic job on behalf of their kids. Still, children living with single mothers are five times more likely to be poor than children in two-parent households. Children in single-parent homes are also more likely to drop out of school and become teen parents, even when income is factored out. And the evidence suggests that on average, children who live with both their biological mother and father do better than those who live in stepfamilies or with cohabiting partners.

'In light of these facts, policies that strengthen marriage for those who choose it and that discourage unintended births outside of marriage are sensible goals to pursue. For example, most people agree that neither federal welfare programmes nor the tax code should penalise married couples; those aspects of welfare reform enacted under Clinton and those

elements of the Bush tax plan that reduced the marriage penalty enjoy strong bipartisan support.

'The same goes for teen pregnancy prevention. Everyone agrees that teen pregnancies place both mother and child at risk for all sorts of problems. Since 1990, the teen pregnancy rate has dropped by 28 per cent, an unadulterated piece of good news. But teens still account for almost a quarter of out-of-wedlock births, and teen mothers are more likely to have additional out-of-wedlock births as they get older. Community-based programmes that have a proven track record in preventing unwanted pregnancies – both by encouraging abstinence and by promoting the proper use of contraception – deserve broad support.

'Finally, preliminary research shows that marriage education workshops can make real difference in helping married couples stay together and in encouraging unmarried couples who are living together to form a more lasting bond. Expanding access to such services to low-income couples, perhaps in concert with job training and placement, medical coverage, and other services already available should be something everybody can agree on.'<sup>55</sup>

## **Policy responses**

As noted in the previous chapter (see Saunders Lewis and Ioan Bowen Rees), Wales is often described as a country with a strong commitment to family and as the 'land of my fathers'. It is also, as noted at the start of this chapter, a nation with a strong commitment to education.

Yet today in comparison with the rest of the UK, and with much of the western world, the family in Wales, and thus Welsh child development, is in particular difficulty. The prosperity of the nation depends on providing the optimal child development context so that life chances, in terms of good education, skills and employment prospects, and specifically higher wage employment prospects, can be maximised to the greatest possible extent. Any big society solution for Wales cannot ignore the most basic unit of our social ecology and civil society, the family, and the urgent need for its renewal.

However, in considering all of this it is imperative to be aware of some contexts and caveats. Specifically, when child development and skilling are located in their wider context, one becomes aware of potential feedback loops (as in all areas of social life)

that can prompt chicken and egg questions. These will result in some arguing that the relevant consideration is not the nature of family relationships but the family's relatively poor economic situation.

Take the stability of the couple relationship, for instance. Some argue that marriage is irrelevant and income the key factor. Yet as Duncan Smith and Lord Hill noted above, analysis of the Millennium Cohort Study demonstrates that even the poorest 20 per cent of married couples are more stable than all but the richest 20 per cent of cohabiting couples.<sup>56</sup> To argue that economic considerations are the driver is to fall into the trap of economic reductionism.

If a couple are living in poverty, this will, indeed, negatively affect their relationship, their parenting and the development of their children. In embracing big society logic we must, however, shun crude materialism for a more sophisticated approach that is alive to the importance of both the material and the relational. Let's not waste time on silly quests for reductionist answers, such as, for example, 'this' is driven wholly by economics or 'this' is driven wholly by relationships. To address these challenges from a Welsh perspective we must do so holistically and recognise that both factors inform a complex organic whole.

Any comprehensive strategy to address the challenge set before us must have policies to engage with both, conscious that since no policy area is an island, a positive change in the one will have a positive impact upon the other. One must also recognise that strength in one area could be undermined by weakness in another. It absolutely is not the purpose of this study to suggest that if a culture is characterised overwhelmingly by stable 'two-parent home' parenting experiences and good child development, it will necessarily enjoy economic prosperity. There are plenty of other things that economic growth depends upon.

The point of this chapter, however, is to point to the high proportion of single parents bringing up children in Wales, with the inevitable impact on their educational outcomes. In this context it is vital first to support single parent families and in the second to be sure to remove any government generated obstacles to forming two parent families.

Wales must address the skills challenge more effectively and it cannot do so by simply focusing on human capital investment, assuming the social capital it once took for granted as a given. The truth is that it is perfectly possible to take steps forward in terms of training and skills but to simultaneously take as many, if not more, steps

back in relation to other more basic aspects of human development upon which the success of the latest training and skills depend.

What big society policies can be called upon to address this challenge? We need to acknowledge that it is the relationship between parents that determines the stability of child development. This is challenging policy terrain for the state on two counts. Some take the view that the state should not intervene in such private, personal relationships. Others will ask, what can the state do anyway? It cannot get inside the home and make families work. Moreover, attitudes to relationships and commitment are shaped by cultural factors that are way beyond the control of the state.

In response to these considerations, there are things government can and should do to help the relationship between parents; equally there are things it can, and should not do. The latter are interventions that place parental relationships under unnecessary pressure. Until recently government was not doing the things it could do to help and had no plans to cease doing the things it was doing that placed the relationship under needless pressure.

### **Marriage and fiscal policy**

Some people have been dismissive of any reference to marriage or cohabitation in the context of fiscal policy. The notion that financial considerations are in any way relevant to the health of the couple relationship prompts slightly embarrassed smiles. However, those who refuse to look at financial considerations are in denial on at least two counts. Firstly, while 90 per cent of young people aspire to marry, far from 90 per cent do so, and marriage rates are falling.<sup>57</sup> Duncan Smith set out the challenge in the following terms:

'When asked about their aspirations, young people are very clear: three quarters of those under 35 who are currently in cohabiting relationships want to get married, and some 90 per cent of young people aspire to marriage. So perhaps the question we should be asking ourselves is this: if people from the youngest age aspire to make such a commitment in their lives, what stops them doing so? Government cannot and should not try to lecture people or push them on this matter, but it is quite legitimate to ensure people have the opportunity to achieve their aspirations.'<sup>58</sup>

Phillip Blond makes the same point in his book *Red Tory*:

There is evidence from the UK that the aspiration to marry is uniformly high across the social spectrum but that the financial and cultural barriers, including shifts in expectation concerning male responsibility to marriage, are harder to overcome in low income communities. This makes marriage an issue of social justice. A greater concentration of lone parenthood here may not be an expression of diversity but, paradoxically, of the reduced choice with inability to fulfill marital ambitions as another dimension of inequality.<sup>59</sup>

At present the tax credit and wider benefits system creates an incentive for couples with children on low to modest incomes to live apart. This so-called 'couple penalty' can cost a couple up to nearly £10,000 a year in lost credits and benefits if they move in together.<sup>60</sup> Taxpayers' money is thus being used to make it more likely that children will be brought up in a one-parent rather than in a two-parent home. This is a 'lose lose', anti-choice arrangement. Firstly, it makes it harder for a couple who wish to have children to live together, making it more likely their children will not enjoy what is statistically the optimal child development environment. Secondly, it also places single parents who want to re-partner in an extremely difficult position.

Britain is very unusual in the developed world for not recognising marriage or the couple relationship in the tax system. Interestingly, with the exception of the UK, only 20.9 per cent of people in the OECD live in countries where there is no recognition of marriage or any kind of provision for couple relationships.<sup>61</sup> In this context, if we compare the way the UK allocates its tax burden with the way other OECD countries allocate theirs, the burden placed on one-earner married couples with two children on average wage in the UK is 52 per cent higher than the OECD average.<sup>62</sup>

Moreover, while in other OECD countries such families bear a tax burden that is 51.4 per cent per cent of that placed on a single person with no children, in the UK the equivalent is 74.5 per cent.<sup>63</sup> Such is the individualism (especially inimical to Welsh culture) of our fiscal arrangements and our failure to recognise family responsibility. Given that we make life so much harder for two parent families than other developed countries, such as the USA, Germany and France, is it any wonder that the social environment in the home is in some difficulty?

Secondly, the notion that financial matters are somehow an improper consideration when having regard to marriage borders on the otherworldly. Of course, people do not fall in love for fiscal reasons. When they fall in love, however, and decide that they want to be together, they face a further decision. Do they cohabit or do they marry?

Given the desire to marry (see the 90 per cent figure above) and the better child development outcomes associated with marriage, the very least that government should do is to make sure that there are no greater fiscal obstacles to marriage in the UK than in other developed countries. Happily, Duncan Smith's Universal Credit proposals take important first steps to erode the couple penalty, especially for those on low incomes.<sup>64</sup> Moreover, the Government has committed to recognising marriage in the tax system.<sup>65</sup> These are both very important developments for Wales and should be particularly promoted by Welsh parliamentarians.

### **Marriage and relationship support**

It is interesting to note that when New Labour came to power ministers were not sure that investing in marriage preparation, enrichment and guidance counselling – something the previous government had mandated in Section 22 of the Family Law Act 1996 – was an appropriate use of public funds. They commissioned Sir Graham Hart to conduct a review to address this question. Not only did he conclude that it was – because the costs of family breakdown to society socially and indeed economically were so great – but he recommended that government increase the amount of funding for marriage and relationship support.<sup>66</sup>

The Government responded positively and went on to launch the Marriage and Relationship Support Fund. This allocated monies until 2004 when it was replaced by the Children Young People and Families Grant. However, this was problematic because, although ministers said it provided funding for marriage support it was not included in the criteria against which one could bid for monies. Happily, just before Christmas 2010, David Cameron made it plain that the couple relationship was very relevant to public policy and that he would be investing £7.5 million in relationship support.<sup>67</sup> It will be important to ensure that Wales gets its fair share.

### **Time-off in common**

Another key opportunity for social capital development is through investment in provision of time-off in common, which is increasingly undermined by the 24/7 lifestyle that has been called into being to service endless consumer choice. This is a problem for all families, whether they have one or two parents. If employers require a parent, or both parents, to work at weekends, when their children are at home, and to take their days off in the week, when their children are at school, the family gets no time together.

If we want to strengthen family life so that parents can have the maximum input into their child's development, it is not good enough for Mum to spend Saturday with the children, while Dad works, and for Dad to spend Sunday with the children, while Mum works - or worse, for both parents to be absent on both days, or even worse for the parent of a single parent family to have to work one or both days. Families need time off together to invest in their relationships. A society that denies families the basic opportunity to renew and sustain themselves, at least one day a week, is destined to reap a harvest of social breakdown with all its concomitant implications for child development and jobs. Government would be well advised to consider the Keep Time for Children, Family Day Bill pioneered by the Relationships Foundation.<sup>68</sup>

### **Championing Youth Exclusion Projects**

In order to enhance child development, it is important to develop schemes that compensate those who have not received all the key relational investments in the home environment. It is in this context that voluntary sector youth exclusion projects, working in close partnership with their local authorities, have such a vital role to play. Young people who access youth exclusion projects invariably come from unhappy home environments that, for whatever reason, have not provided them with strong parental relationships. By the age of 15 they could be on a path that will make it highly likely they will be unable to engage with conventional education opportunities. In turn this means they will find it difficult to hold down a job and highly likely, therefore, that they will be a net drain on the state during unfulfilled lives spent, to some significant degree, in unemployment and quite possibly prison.<sup>69</sup>

Specialist youth exclusion projects have found that with intensive assistance at 15 (or earlier) it is possible to make up for the lack of earlier investment and help the young people re-route. However, after 15 it becomes more difficult and indeed progressively more so the older they are. Thus, investment at 15 and before is money well spent. Far from going on to cost the state huge sums of money over the course of their lives, those helped go on to make a positive contribution to society. Wales needs to develop a comprehensive strategy aimed at targeting those who are not receiving the investments they should have enjoyed naturally in the home had they experienced parenting from a stable two parent family.

### **Conclusion**

If the Welsh economy is to grow, Wales needs to become a high skilled, high value

adding economy that can compete with other parts of the world where wages are lower. What has been emphasised here is that the benefits of conventional education can be wasted if the strong family social capital upon which this depends is drained away. While we need to continue to invest energetically in promoting the very latest, high-tech, hard skills education opportunities (making the most of the resources provided by our further and higher education sector), we also need to put in place proper policies to address the social capital challenge.

In this regard big society thinking, which seeks to strengthen society through policy initiatives designed to revive mutuality, has much to offer. We must invest proactively in the family to help social capital development. To this end we must ensure that government does not use taxpayers' money in a way that generates a fiscal incentive for parents to live apart. In addition we must recognise marriage in the tax system, significantly enhance marriage and relationship support and promote time off in common. Government must also place more emphasis on investing in youth exclusion voluntary sector projects designed to address and reverse the effects of poor child development.

## Notes

- 1 Tom Hooson and Geoffrey Howe, *Work for Wales: Gwaith i Gymru*, Bow Group, 1959, page 9.
- 2 Key Economic Statistics, *Statistical Bulletin*, 16 November 2011, page 1.
- 3 <http://www.learningobservatory.com/wales/>
- 4 [http://www.hm-treasury.gov.uk/2011budget\\_wales.htm](http://www.hm-treasury.gov.uk/2011budget_wales.htm)
- 5 Nisbet, *Conservatism: Dream or Reality*, page 41.
- 6 R.M. Jones and Gwyn Davies, *The Christian Heritage of Welsh Education*, Bryntirion, Evangelical Press of Wales, 1986, pages 8-12.
- 7 Community Franchising: Local innovation for national practice, <http://www.respublica.org.uk/item/Community-Franchising-Local-innovation-for-national-practice>  
<http://www.communityfranchising.net/>
- 8 Bobi Jones and Gwyn Davies, *The Christian Heritage of Welsh Education*, Evangelical Press of Wales, 1986, page 15.
- 9 *Ibid.* page 14.
- 10 David Salmon, 'A Russian report on Griffiths Jones's Schools', *Transactions of the Carmarthenshire Antiquarian Society* XIX, 1925-6, page 76-8.
- 11 Morgan, *Rebirth of a Nation*, page 18.
- 12 *Ibid.* page 37.
- 13 This same point was also drawn out by Ioan Bowen Rees in *Government by Community* in his comment about

'an appreciation of education that cuts across class, even where its eye is on the main chance', page 211.

14 Welsh Labour Force Survey 2001-2004.

15 <http://pisa2009.acer.edu.au/multidim.php>

16 <http://wales.gov.uk/topics/educationandskills/publications/reports/pisaletter/?lang=en>

17 *2008 Children and Young People's Well-being Monitor for Wales*, page 96. Happily, *Health Behaviour in School aged Children: initial findings from the 2009/10 survey in Wales*, Welsh Government 2011, page 25, suggests a significant increase in enjoyment of school in years 7 and 8 but a similar picture for years 10 and 11.

18 *2008 Children and Young People's Well-being Monitor for Wales*, page 172. Interestingly Scottish children rated their relationships even lower than Wales. At age 15 only 56 per cent of boys and 57 per cent of girls in Scotland rated their friends as kind and helpful and yet this does not seem to have translated into weaker educational performance in their experience.

19 Welsh Labour Force Survey, 2001-2004.

20 *Skills for Jobs: Today and Tomorrow: the National Strategic Skills Audit for Wales, Vol. 2 Evidence Report*, UKCES 2011. Table 2.13, page 41.

21 *Ibid.*

22 <http://www.poverty.org.uk/59/index.shtml>

23 Phillip Blond, *Red Tory*, page 72. The same phrase is used by Jesse Norman, *The Big Society: The Anatomy of the New Politics*, University of Buckingham Press, 2010, page 174.

24 The concept of social capital gains its seminal definition from Robert Putnam, *Bowling Alone: The Collapse and Revival of American Community*, Simon and Schuster, 2000 <http://bowlingalone.com/> and Robert Putnam, Lewis Feldstein with Don Cohen, *Better Together: Restoring the American Community*, London, Simon and Schuster, 2003, see <http://www.bettertogether.org/>. As they put it (pages 269-70), 'The importance of good social capital is eloquently expressed in the following: 'A child born in a state whose residents volunteer, vote, and spend time with friends is less likely to be born underweight, less likely to drop out of school, and less likely to be killed than the same child - no richer or poorer - born in another state whose residents do not. Society as a whole benefits enormously from the social ties forged by those who choose connective strategies in pursuit of their particular goals. We know from many studies that social capital can have what economists call positive externalities. That is quite apart from their utility in solving the immediate problem... interpersonal ties are useful for many other purposes.' For a UK perspective see Stephen Aldridge and David Halpern with Sarah Fitzpatrick, 'Social Capital: A Discussion Paper', Performance and Innovation Unit, Cabinet Office, April 2001.

25 It is important to note that capitalism has always been associated with social fluidity. This, however, seems to be compounded in the context of globalisation, where, once uprooted things can be moved further afield.

26 Gareth Wyn Jones, 'Sustainable Development,' *The National Assembly Agenda*, IWA, 1998, page 133. The economist Richard Douthwaite provided a similar perspective when he sought to assess the benefits resulting from British economic growth between 1954 and 1984. 'Problems only arose when I attempted to identify what they [the benefits] were, especially as it quickly became apparent that almost every social indicator had worsened over the third of a century the experiment had taken. Chronic disease had increased, crime had gone up eightfold, unemployment had soared and many more marriages were ending in divorce.' Richard Douthwaite, 'The Growth Illusion', in Jonathan Greenberg and William Kistler (Eds.) *Buying America Back*, Council Oak Books, 1992, pages 92-96. On a similar theme see John Gray, *False Dawn: The Delusions of Global Capitalism*, Granta, 1998, pages 2, 58, and 72.

27 Hard skills are specific abilities that can be defined and measured such as writing, maths, medicine and engineering. They are the result of successful human capital development strategies and are contrasted with soft, social skills such as the ability to get along with others, listen, trust, and take responsibility which are very much impacted by personality development and parenting. Where these are not

imparted in the home there is a need to develop soft skills investment strategies through, for example, youth exclusion projects, that equip young people to then be able to go on to access conventional human capital investment and training through college courses.

28 Interestingly, although one might presume that rising to this important challenge would require government to undertake entirely new and very demanding responsibilities, as we will see, often it is actually more about asking government to stop doing things or to do things that it is already doing in a different way.

29 See for example: Dafydd Glyn Jones, 'His Politics', in *Presenting Saunders Lewis*, page 34; Ioan Bowen Rees, *Government by Community*, page 211; and John Osmond, *Creative Conflict*, page 11.

30 <http://wales.gov.uk/topics/statistics/headlines/housing2011/111006/?lang=en>

31 'Families and households, 2001 to 2011,' Statistical Bulletin, Office of National Statistics, 19 January 2012, page 8.

32 <http://www.communities.gov.uk/documents/statistics/pdf/1172133.pdf>

33 Western Mail, 8 October 2011. <http://www.walesonline.co.uk/news/wales-news/2011/10/08/one-person-homes-now-outnumber-family-homes-in-wales-91466-29559392/#ixzz1bzefrnbM>

34 Prof Rebecca Probert and Dr Samantha Callan, *History and Family: Setting the Records Straight - a rebuttal to the British Academy pamphlet 'Happy families?'* Centre for Social Justice, April 2011.

35 Wales's Population: A Demographic Overview 2008, page iv.

<http://wales.gov.uk/cisd/publications/statspubs/population2008/en.pdf?lang=en>

36 Table 1a Live births (numbers, rates, general fertility rate, and total fertility rate), and population occurrence within/outside marriage, and area of usual residence, 2009) see

<http://www.statistics.gov.uk/StatBase/Product.asp?vlnk=14408&Pos=1&ColRank=2&Rank=272>

37 Table 3.1 Live births, numbers and percentages, by age of mother and marital status or parents, Scotland, 1946 to 2009 <http://www.gro-scotland.gov.uk/files2/stats/ve-reftables-09/ve09-t3-1.pdf>

38 Statistics Press Notice, Births in Northern Ireland 2009, Northern Ireland Statistics and research Agency, Thursday 18 March 2010, page 5.

39 *Children and Young People's Monitor 2011*, Welsh Government, page 57.

40 'Families and households, 2001 to 2011,' Statistical Bulletin, Office of National Statistics, 19 January 2012, pages 4 and 6.

41 Social Justice Policy Group, *Breakdown Britain: Policy review mid-term report on the state of the nation presented to the Conservative Party*, December 2006, chapter 3.

42 The Centre for Social Justice, *Breakthrough Britain: Ending the costs of social breakdown: Policy recommendations to the Conservative Party*, July 2007, pages 14 and 69.

43 The Centre for Social Justice /newsroom/ministers-speeches/2011/08-02-11.shtml

44 Lord Hill, House of Lords, 10 Feb 2011: Column 389.

45 *2008 Children and Young People's Well-being Monitor for Wales*, page 122.

46 *Breakdown Britain*, page 31.

47 *Ibid.*

48 Statistics for Wales, Adoptions, Outcomes and Placements for Children Looked After by Local Authorities: year ending March 31st 2010, Press Release, 16 September 2010.

49 *2008 Children and Young People's Well-being Monitor for Wales*, page 148.

50 John Osmond and Nick Morris, *What are we doing to our kids?*, IWA, March 2009, page 10. The paper also taps into the broader problem that as, even in two parent families both parents often have to work

(at least one full time and the other part time), there is a more general quality time challenge which raises important questions about the need for time off in common.

- 51 Statistics for Wales, Household Projections for Wales (Based 2008): A Summary, p1.  
<http://wales.gov.uk/docs/statistics/2010/100929sdr1572010en.pdf>
- 52 Household Projections, 2008 to 2033, England, p3  
<http://www.communities.gov.uk/documents/statistics/pdf/1780763.pdf>
- 53 Rosie Waterhouse and Jason Bennetto, 'Tories clash over single mothers: Lilley rejects demand to axe benefits', *The Independent*, 4 July 1993.
- 54 The fiscal incentive for couples with children on low to modest incomes to live apart which results from the tax credits and wider benefits design and which the Coalition Agreement is committed to eliminate. The first steps have been taken to achieve this through the Universal Credit, see footnote in Chapter 1.
- 55 Barack Obama, *The Audacity of Hope: Thoughts on Reclaiming the American Dream*, Vintage books, 2008, pages 393-394.
- 56 Lord Hill, House of Lords, 10 February 2011: Column 389.
- 57 'Marriage rate falls to record low.' *WalesOnline*, Mar 30 2011.  
<http://www.walesonline.co.uk/news/wales-news/2011/03/30/marriage-rate-falls-to-record-low-91466-28433149/>
- 58 Iain Duncan Smith, Secretary of State for Work and Pensions, 'Marriage Week', 8 February 2011.
- 59 Philip Blond, *Red Tory*, Faber and Faber, 2010, page 84.
- 60 Don Draper, *The Couple Penalty Review 2008-09*, CARE, 2010.
- 61 Beighton, Draper and Pearson, *The Taxation of Families 2010-11*, London, 2012, page 28.
- 62 *Ibid.* page 31.
- 63 *Ibid.*
- 64 Rt. Hon Iain Duncan Smith, Secretary of State for Work and Pensions, 'Marriage Week', 8 February 2011. This was, of course a key Conservative Manifesto 2010 commitment (*Invitation to Join the Government of Britain*, chapter 2) which made its way into the Coalition Agreement, *The Coalition: Our Programme for Government*, 2010, page 19.
- 65 This was again a key Conservative Party Manifesto commitment and one that made its way into the Coalition Agreement, *The Coalition: Our Programme for Government*, page 30.
- 66 Sir Graham Hart, *Funding of Marriage Support*, 1999, paras. 42 – 45. The direct 2011 costs of family breakdown on a UK basis are currently costed by the Relationships Foundation at £42 billion.  
<http://www.relationshipsfoundation.org/Web/News/News.aspx?News=103>
- 67 Rt. Hon. David Cameron MP, 'Speech on Families and Relationships,' 10 December 2010.  
<http://www.relationshipsfoundation.org/Web/Content/Default.aspx?Content=102>
- 69 A particularly clear expression of the economic logic of investing in damaged lives is contained in: Mike Hughes, Anna Downie and Neera Sharma, *Counting the Cost of Child Poverty*, Barnardos, 2000. Documenting the development of six children from difficult home situations, their report demonstrates very clearly the economic consequences of damaged home environments, and consequentially the absence of normal social and emotional investments, in child development. Consider the case of Duane: 'Duane aged 23: Born the child of a mother who grew up with no sense of security or self-worth, Duane turned to alcohol and drugs to help him cope. Taken into local authority care at eight, by 14 he began taking drugs and drinking and his violent behaviour landed him in trouble with the police. Is his future going to be anything more than drugs, violence and prison sentences?'

The report estimated that the total cost of Duane to society, carried by social services, the police, judiciary, prison and Barnardos, and also manifest through the damage done to property, amounted to £522,903. Proactive support for Duane and his mother during his early years, they contend would have cost just £12,858. Had the state invested this relatively small sum into Duane's development, it could have saved society £510,045, that is more than half a million pounds. Furthermore, it is important to recognise, when considering the costs of not investing in the lives of people like Duane, that the figures cited above are only the costs attached to Duane's life until the age of 23. Imagine the cost of the Duanes whose lives are not turned around by the time they reach their 30th or 50th birthday. When considering those of a working age, moreover, one must also remember that, in order to ascertain the true cost of their broken child development experience, and its legacy, one should not only look at their cost to the state, in terms of resources drawn, but also at their cost to the state, in terms of resources not given, i.e. lost taxation income as a consequence of their unemployment. When seen in these terms one can begin to appreciate the real economic significance of effective voluntary sector projects that help address the legacy of a broken child development experience.

# Getting the job done

Having considered the economic development challenge, we now turn to ways our intermediary associations can be revived both within and beyond the home. We will examine social impact bonds, community bonds, community franchising, asset-based community development and time banking. We will then explore the benefits that can accrue from social enterprise, including co-operatives and mutuals.

## **Social impact bond**

Social impact bonds have been developed across the world in recent years, but in the UK the lead organisation has been *Social Finance*, encouraged by the Cabinet Office.<sup>1</sup> The concept is quite simple. Hitherto, if government has had the money available, it has given grants to voluntary projects in the hope that they will successfully address a social problem. Yet dependence on state grants allocated by risk averse, cautious civil servants is not conducive to producing a healthy, dynamic and innovation-generating environment. The social impact bond aims to put this right by raising the monies to address social problems from private investors seeking out ethical investment opportunities. The bond is an agreement between the private investors and the relevant government department. If the project that the bond funds meets a pre-arranged definition of success in tackling the problem for which it has been created, government pays the investors a pre-arranged sum. Thus, monies go from the state to address social problems but only when a project succeeds. Thus a framework is created that offers more lively and dynamic incentives.

The social impact bond is currently being pioneered to fund a charity-run project in Peterborough that works to help people released from prison re-settle, find employment and not re-offend.<sup>2</sup> The bond has been issued to private investors who, depending on success rates, will be rewarded by payments from the Department of Justice. Social impact bonds are also being piloted in Hammersmith and Fulham, Westminster, Birmingham, and Leicestershire to invest in initiatives providing intensive help for families blighted by anti-social behaviour, crime, addiction and poor education.<sup>3</sup> These bonds are being funded by private investors who, again depending on outcomes, will be rewarded by the relevant government department.

There are two incentives for a social impact bond project to succeed. Firstly, rather than established by the state in response to a political imperative, the project in question is established and run by private individuals motivated by an altruistic desire to address the challenge in question and make the world a better place. Secondly, those running the project know they are much more likely to persuade private investors to back them in future if they are successful in the present. This has two important consequences. The connection between performance and future funding backs up the altruism that prompted the formation of the initiative in the first place. Moreover, as long as the performance is satisfactory, concern about funds ceasing to be available in future need not apply. Of course, government departments could decide to discontinue the arrangement but if the programme is demonstrably delivering positive outcomes it will be less inclined to do so. Thus, the social impact bond helps to generate good incentives for project managers and for government.<sup>4</sup>

*Social Finance* is also seeking to apply the concept to vulnerable children in care, health and ageing projects, and drug rehabilitation. *Social Finance* social impact bond conferences have been held in Glasgow, Birmingham and London, though not so far in Wales.<sup>5</sup>

### **Community bond**

The idea of a community bond was developed by Cambridge-based charity, CityLife, since renamed Allia, in the 1990s. It provides an ethical investment opportunity that, while not making money for the investor, safeguards their funds and enhances the community in which he or she (usually) lives.

Individuals and organisations in the area concerned, or with an interest in it, are invited to purchase bonds backed by a guarantee. The bulk of the funding is lent to a social organisation, such as a housing association, at a competitive rate of interest and the remainder invested in the project being supported. The interest on the loan to the social organisation builds up over the agreed term – usually five years – to enable the capital to be returned in full to the lenders. Lenders will have contributed to local economic development, enhancing their local area, without losing any money apart from interest forgone and any loss in the purchasing power of the original loan as a result of inflation.

So far only one community bond has been issued in Wales, the Wales Coalfields Bond. This raised just under £370,000 in 2007 to support the Talent Nurture Fund, helping young people in former coalfield areas to embark on careers in the creative industries. Other community bonds have been issued in Scotland, Sheffield, Newcastle and London. Outcomes include 3,000 people finding their way into employment and more than 200

people being helped to start their own businesses.<sup>6</sup>

### **Community franchising**

One particularly interesting big society initiative that is having significant impact is community franchising which uses commercial franchising principles to promote social, not for profit endeavours. A good example is the network of food banks run in association with the Trussel Trust.<sup>7</sup> Food banks have been established in 14 parts of Wales, in Neath, Ebbw Vale, Blackwood, Cardiff, Bridgend, Rhondda, Pontyclun, Gorseinon, Llanelli, Carmarthen and Cardigan, Neath, Merthyr and Cynon, Risca and the Vale of Glamorgan. In addition the Trussell Trust is also working with groups in Swansea, Pontypool, Flintshire, Holyhead, Colwyn Bay, Aberystwyth and Wrexham.<sup>8</sup>

Mindful of all that was said about Bevan's big society in Tredegar, it is interesting to see the impact of the Ebbw Vale food bank. Since its establishment in October 2008 the food bank has fed more than 2,400 people in crisis. To achieve this 14 tonnes of food have been donated by schools, churches and collections outside local supermarkets.<sup>9</sup> Lord Wei has played a particularly key role in promoting franchising, setting up FranchisingWorks before being appointed as David Cameron's big society adviser.<sup>10</sup> Recent community franchising endeavours have been profiled by Respublica.<sup>11</sup> They have been particularly accessed by churches and are also the subject of a dedicated website.<sup>12</sup> The Department for Communities and Local Government has encouraged community franchising in England where it has also been the subject of Cabinet Office funding.<sup>13</sup>

### **Asset based community development**

Strategies designed to regenerate deprived areas have tended to focus on problems and how they can be addressed and to look primarily to the state for answers. Asset based community development argues that even the most deprived communities have some assets and that the way to build community is by focusing on and developing these. It also argues that over-reliance on the state can smother the positive contribution of these assets and hamper community development. This is a particularly interesting approach in Wales where a problem-centred attitude of despondent resignation can sometimes prevail, which looks to government to sort matters out, albeit often without great faith.<sup>14</sup> Asset based community development requires something altogether more positive and resourceful. Indeed, it depends on a mental discipline that is much more in line with the Welsh big society tradition that predates the advent of the big state.<sup>15</sup>

John Kretzman and John McKnight wrote the seminal text that laid the foundation for

this new school of thought, *Building Communities from the Inside Out: a Path Toward Finding and Mobilising a Community's Assets* in 1993.<sup>16</sup> In their follow-up publication *The Abundant Community: Awakening the Power of Families and Neighbourhoods*, McKnight and Block set out their latest asset based community development thinking. They argue that people face a choice: either become alive to the abundance that exists in our local communities - the place, the people, the (latent) relationships - or lose this empowering perspective by allowing big government or big corporations to come along to sort problems out:

'By their nature, as systems, they say to us, you are inadequate, incompetent, problematic, or broken. We will fix you. Go back to sleep... No matter how hard they try, our very best institutions cannot do many things that only we can do. And the things that only we can do as a family and a neighbourhood are vital to a decent, good, satisfied life.'<sup>17</sup>

The authors observe that all too often there is a tendency to give up on community and turn to big government or big corporations. They claim (echoing Joan Bowen Rees, quoted in Chapter 2) that this is the result of moving from the mentality of being a citizen in a community, to being a consumer purchasing products from the impersonal state and big impersonal corporations. The impact of this on the family is particularly troubling. Resonating very much with the concerns of Saunders Lewis (also quoted in Chapter 2), they continue:

'We have witnessed the disappearance of individual and family functions. When the family is no longer the primary provider of childcare, health, income, safety, care for the vulnerable, it loses its capacity for wisdom and support. Let us take marriage as an example... In many cultures marriage was once thought to be for the sake of the family and community. This is in contrast to romantic marriage, which celebrates the individual.'<sup>18</sup>

The solutions that McKnight and Block set out focus on highlighting the 'gifts' that exist within the community, 'making the gifts visible' and then fostering appropriate associations and connections to facilitate service delivery.<sup>19</sup> As they put it, the tragedy is that:

'...local community is abundant with the relationships that are the principal resource for rescuing themselves and their families from the failure, dependency, and isolation that are the results of a life as a consumer and client. Their ships are sinking, and they struggle to swim to safety, ignoring

the life raft at their side'.<sup>20</sup>

Asset based community development places a strong emphasis on people securing their wellbeing by taking responsibility and building their own communities. It focuses on a community's assets rather than its problems. Instead of appealing to government for a solution, it promotes something distinctive that could really benefit Wales.

### **Time banking**

Time banking is a community development tool that rests on the principle that everyone's time, regardless of whether they are a doctor, banker or find themselves homeless, is equally valuable because each person is equally valuable. As in Asset Based Community Development, the point of departure is identifying value – in this case the equal value of each person – and building positively on it rather than focusing on the problem.

Those volunteering receive a time credit of equal value for each hour worked, which they can then cash in, accessing other services that have opted into the time banking scheme. The key to the time banking process flows from the way it communicates value. People whose lives have not been valued economically and who have lacked purpose and creative expression have found the opportunity for constructive, meaningful and valued work provided by time banking to be profoundly healing and liberating. Time banking has helped people who are used to being seen as a problem and made the passive recipient of solutions from the state to reconnect and start talking about what they can do and how they can help.

Indeed, thanks to time banking unemployed people who have lacked the confidence to seek work have actually become employable again. It has proved extraordinarily successful at building community and restoring something of the mutuality that used to be a strong aspect of Welsh life. This is because it generates positive relationships in which everyone is made equal and a mutually interdependent giver and taker. In the process they experience and become part of a community.

Time banking is particularly important for Wales for at least two reasons. Firstly, much of the research and experimentation that gave rise to time banking took place in Wales through what was the Wales Institute for Community Currencies at the University of Wales, Newport. It has now grown into Timebanking Wales, which is working to promote time banking, while a sister organisation, Spice, is doing the same across the UK.<sup>21</sup> Of special interest from the perspective of Chapter 2, Spice locates its point of departure self-consciously in Welsh history:

'In the adversity and hardship experienced during the era of coal, there had existed a strong feeling of collective identity and mutualism. These traditions of people working together gave birth to the mutual societies, educational settlement trusts, miners' welfare institutes and chapels during the 19th and 20th century. These institutes generated huge social energy, creating an active culture, empowering people's mutual capacity to work together for social purposes. Coal mining had brought common purpose. In the modern diverse economy of Wales, there have been winners and losers but the sense of common purpose has been eroded.'<sup>22</sup>

In 2008 the Welsh Government published *Sowing Seeds, Timebanking: Public Service Delivery With Time Currency* which also sought to contextualise time banking and the problems that it seeks to address in historical terms. Again this resonates very much with the themes laid out in Chapter 2:

'...Community initiatives fired the collective imagination and were fuelled by the active engagement of people and communities. If the old agencies had failed to enlist the support of active constituencies, the chapels and institutes would not have been built. By working together the agencies and their active membership laid the foundations for radical social change. The miners' institutes were powerhouses generating social energy, creating an active culture and empowering peoples' mutual capacity to work together for social purposes.'

'The mutualism once so prevalent in Wales has been in decline. Faced with the same forces of corrosion, many people in Wales have often been excluded or poorly valued by the market economy, leaving them with the message that they, too, were throw away people.'<sup>23</sup> Once again the state has instinctively attempted to fix peoples' problems for them, reinforcing this message.

'Public agencies are no longer designed and managed by the communities themselves. Community members have often become passive recipients of services delivered for them by public and third sector agencies or, worse, are not engaged in any way with their agencies. Community members often develop negative relationships with the agencies, demanding more and more fixes for their problems and valuing their services less and less. Public service professionals engage with community members that are active and

willing, but citizen engagement and participation has become a minority activity. Widespread disengagement and weakened social capital have fuelled social problems.’<sup>24</sup>

Later, reflecting on the same theme, the document states:

‘Citizen engagement makes sense. When citizens participate and have greater ownership, public services become more in tune with their communities and achieve better results.’<sup>25</sup>

The Welsh Government must be congratulated for having recognised the significance of time banking. It will clearly be important to hold them to account in the delivery of their good intentions and press them to go further. There is a need to look at these and other such approaches to see to what extent they can be used to a greater extent in Wales. We must make the most of developments such as time banking in which Wales has played a key role. We must ensure that we are not the last to benefit from this and other important developments such as the social impact bond.

### **Business and social enterprise**

Of course, the big society is not just about the voluntary sector. In December 2010 David Cameron gave a major speech on the role of business, declaring:

‘As Business in the Community shows every day, Britain’s great businesses are not just a force for good in our economy – they are a force for good in our society, too. They have the power, the creativity, and the enterprise to help us tackle some of the most pressing social problems and challenges we face in our country. By meeting our shared responsibilities, we can build that shared future: a stronger future and a better Britain.’<sup>26</sup>

He went on to launch a new initiative under the banner *Every Business Commits*, a charter for businesses to sign up to in which, among other things, they undertake to:

- Encourage volunteering and philanthropy, make their company’s time, skills and resources available to neighbourhood groups, local arts organisations and for social action.
- Actively promote payroll giving to all employees.
- Help employees learn how to get involved in social action, for example by supporting them to take a Citizen University course.

- Increase the number of apprenticeships and work experience placements for unemployed people, especially amongst the young.
- Make their workplace more family-friendly and offer flexible working wherever possible.
- Mentor a business, start-up or social enterprise.

Social enterprises, which include mutuals and co-operatives, are also important vehicles for enlightened social and economic change.<sup>27</sup> Indeed, the promotion of mutuals is a key plank of the Westminster Government's big society policy, championed by Francis Maude in the Cabinet Office but only with respect to England. In Wales, the Welsh Conservatives have committed to 'open-up more public services and general procurement to the voluntary sector and SMEs'.<sup>28</sup> Of course, primary responsibility for policy in this area has necessarily fallen to the Labour Government in Cardiff. In what follows we will first consider what Welsh Labour has said about social enterprise and then look at the size of the co-operative economy in Wales compared with England, reflecting on some key policy differences resulting from the distinctive big society policy focus in England.

For some time the Welsh Government has been enthusiastic about the potential of social enterprise, launching its first social enterprise strategy in 2005. Moreover, there has been a willingness to recognise that this should have special resonance in Wales. Writing in the foreword to the *Social Enterprise Action Plan for Wales 2009*, the minister, Leighton Andrews, said:

'Social enterprise has been at the heart of service-delivery in Wales since the 19th Century. Last year marked the 150th anniversary of the death of Robert Owen, the grandfather of co-operatives. It was the 60th anniversary of Aneurin Bevan's NHS, modelled on the Tredegar Workmen's Medical Aid Society. From Owen through Bevan, to Tower Colliery, Wales has been at the forefront of delivering co-operative solutions – social enterprise solutions.'<sup>29</sup>

Acknowledging that in the current economic environment, where giving is under pressure and where less public money is available, the imperative for social enterprises is particularly pronounced, the document states:

'Public giving and other traditional income sources are in relative decline, this creates a powerful incentive to explore whether some aspects, if not all, of an organisation's activities could be transformed into a social enterprise to sustain its core services and social benefits over the longer term. Public sector funding through grants and contracts has increased in recent years

but pressure on public spending means there is little opportunity for growth. This may also stimulate third sector interest in adopting the social enterprise model.’<sup>30</sup>

The document continues:

‘We need a plethora of organisations and networks that offer advice and funding to work together in a much more connected way, so that an organisation wishing to transform all or part of its activities into a social enterprise can get precisely the support that it needs... We need to liberate fledgling and growing social enterprises from a range of barriers and burdens that are currently suppressing their potential. These include the public procurement process, which can be complex and difficult to navigate for social enterprises with no previous experience. Similarly, conservatism and risk aversion holds back the transfer of neglected and under-used community assets that could be transformed by imaginative social enterprises.’<sup>31</sup>

In the *Action Plan* the Welsh Government made two key commitments. The first was to accelerating the number, scale and impact of social enterprises. For instance, the One Wales Agreement reached by the Labour-Plaid coalition Government (2007-2011) committed to establish credit unions as social enterprises in every part of Wales, with access for every secondary school to a credit union by 2011.<sup>32</sup>

Despite the Welsh Government’s fierce commitment to public ownership, exemplified by its opposition to the private finance initiative, the second commitment was to allow social enterprises to take over state roles:

‘All Welsh Assembly Government departments and the wider public sector have been challenged to identify opportunities for social enterprises in Wales and this is a key priority. All Welsh Assembly Government departments and the wider public sector have been challenged to identify opportunities for social enterprises to compete to deliver high quality and citizen centred public services – as well as other benefits, such as local wealth creation and community regeneration, in inclusive and sustainable ways.’<sup>33</sup>

The 2009 Action Plan argued that there was extensive further capacity for social enterprise in Wales.<sup>34</sup> It also noted that the Welsh Quality Housing Standard was resulting

in a move away from the public sector as more and more local authorities transferred their social housing stock to the care of mutuals.<sup>35</sup> In this respect the Action Plan drew attention to the Quirk review, *Making Assets Work*, which:

'...identified the regenerative potential that the transfer of public assets (e.g. community halls, workshop space, social spaces) to community management and ownership can have in creating vibrant and stable communities. It concluded that factors preventing this kind of transfer have more to do with people's resistance to change and risk than with any legal procedural constraints'.<sup>36</sup>

The Action Plan stated that 'every department will clarify publicly how, within its field of activity, it will work collaboratively to enhance the third sector's role in the design and delivery of public services'.<sup>37</sup> It also emphasised the importance of the Opening Doors Charter with respect to local authorities:

'This charter, which every local authority in Wales has signed up to, was refreshed in 2008 and explicitly includes the third sector as a provider of services to the public sector'.<sup>38</sup>

Interestingly, the plan also reflected on the distinctive Welsh best practice exhibited in Glas Cymru which provides a model that could be applied in other contexts:

'Large scale delivery of public services and infrastructure renewal projects through a social enterprise model, illustrated uniquely in Wales by Glas Cymru (Welsh Water), offers an exciting and socially responsive alternative to public sector or private (PFI) provision. In line with *One Wales* commitments, the Assembly Government will explore how the Glas Cymru model, which has enabled major investment to be raised through the private bond markets (with European Investment Bank support), could be replicated to drive aspects of public service modernisation. It will harness public, private and third sector expertise to identify opportunities and set the framework within which acceptable social enterprise solutions could be constructed and financed'.<sup>39</sup>

The scope for growth in the area of social enterprise has also been celebrated by Labour backbenchers in the Assembly, such as Professor Mark Drakeford.<sup>40</sup>

## The co-operative economy in Wales

Unfortunately, all these good intentions have yet to be translated into significant action. Firstly, public procurement remains too complex for small conventional businesses, let alone social enterprises, as the Federation of Small Businesses has made plain. Secondly, although there is a stated willingness to see parts of the public sector transferred to social enterprises or mutuals, there would seem, on the basis of what has subsequently happened, to be in practice a very real reluctance.

Despite the good intentions, and despite Wales's historic commitment to co-operatives, *The UK Co-operative Economy 2010: A Review of Co-operative Enterprise*, demonstrates that Wales, with 199 co-operatives, has the smallest number of any part of the UK. At the same time it should be acknowledged that with a turnover of £0.9 billion they are worth more than the 228 co-operatives of Northern Ireland (turnover of £0.7 billion). Scotland, by contrast, has 451 co-operatives with a turnover of £3.4 billion. London has the largest co-operative economy, with 563 co-operatives worth £9 billion, as shown in the accompanying table.

## Development of co-operatives across the UK

	Turnover	Growth	UK eco
2007	£27.4bn	+2.1%	+2.6%
2008	£28.9bn	+5.4%	+0.5%
2009	£33.5bn	+15.8%	-0.4%
Wales	5,400 employees	199 co-operatives	£0.9bn
Scotland	15,000 employees	451 co-operatives	£3.4bn
North West	20,350 employees,	416 co-operatives	£2.2bn
Midlands	11,630,	219 co-operatives	£1.4bn
South West	13,500,	356 co-operatives	£2.3bn
North East	4,700,	202 co-operatives	£1.3bn
Yorkshire & Humberside	14,586,	227 co-operatives	£1.9bn
East Midlands	11,400,	205 co-operatives	£2.4bn
South East	13,200,	328 co-operatives	£3.3bn
London	75,200,	563 co-operatives	£9bn <sup>41</sup>

**Note:** These figures do not seek to measure the wider mutual economy, worth in the region of £100 billion for the UK as a whole.  
 Source: *The UK Co-operative Economy 2010: A review of co-operative enterprise*, Co-operatives UK.

It is thus clear that there is great scope for improvement, as reflected in Kevin Morgan and Adam Price's 2011 publication *The Collective Entrepreneur*:

'The RBS Social Enterprise 100 which tracks growth among UK social enterprises shows that growth is slowest in Wales. Despite Wales 'co-operative advantage' it would appear we once again find ourselves at the bottom of the growth league even when measured by the social yardstick. As a catalyst for sector growth – on the premise that if something isn't measured it's seldom delivered – the Welsh Government should set a target for an increase in market share of the sector as a whole and also by the middle of the decade for three Welsh businesses to be in the top ten of the SE100.'<sup>42</sup>

The lack of conversion of social enterprise rhetoric into reality in Wales stands in sharp contrast to the intensive work on delivery mechanisms undertaken by the Government in England, especially in relation to mutuals. Unless the Welsh Government is seized with a desire for action that matches its rhetoric, it is bound to fall still further behind. The following English developments are particularly worth consideration.

### **The right to provide**

In August 2010, Francis Maude, Minister of State at the Cabinet Office with special responsibility for the big society, announced that twelve English public sector initiatives have been allowed to pursue mutualisation. According to the Cabinet Office:

'These pathfinders will be trailblazers for the rest of the public sector – helping government establish, by learning from the front line, what type of support and structures will best enable the development of employee-led mutuals on an on-going basis.'

In November 2010, Maude announced the Government was introducing a general Right to Provide policy requiring all government departments (with the exception of those dealing with defence and security) to make themselves open to proposals for staff to take over service provision via a mutual:

'The new right will only apply if appropriate guarantees are met, and mutual proposals will be expected to deliver savings to the taxpayer and maintain or improve the quality of services. Where public procurement processes allow and savings are properly agreed, staff forming a mutual proposal will be

awarded a contract to continue providing services rather than going through the full tender process'.<sup>43</sup>

The potential effects were recognised to be far-reaching:

'Prisons, Sure Start children's centres, hospitals and the Civil Service are just some of the services where professionals could have more freedom to run their services the way they want to.'<sup>44</sup>

In February 2011 while visiting nurses, physiotherapists, doctors and other professionals planning to form a big society mutual to join up adult health and social care services in Swindon, Maude announced that he was appointing a special Mutuals Taskforce chaired by Professor Julian LeGrand of the London School of Economics. He also announced another round of pathfinder projects.<sup>46</sup>

The mutual economy in England is clearly set to expand. Maude has indicated a long term potential for up to one million public sector workers to spin out and form mutuals.<sup>47</sup> Such is the Government's commitment to the policy in England it has even established a special mutuals web site.<sup>47</sup>

### **The community right to challenge**

The community right to challenge provided for by the Localism Act not only gives local government employees the right to challenge the local authority and take over service provision but also local voluntary and community bodies and parish councils. The simple act of challenging, through an Expression of Interest (EOI) by itself will not guarantee that the transfer takes place. Local authorities can turn down proposals they do not believe to be fit for purpose.<sup>48</sup> Given that this provision was arguably anticipated (at least in part) by Ioan Bowen Rees as long ago as 1971 (see Chapter 2)<sup>49</sup>, not to mention Wales's historic commitment to the big society, it is particularly unfortunate that the right to challenge does not apply to Wales. Denying Wales this right was not the result of a proactive *One Wales* Coalition Government policy but of a request by Assembly officials to their opposite numbers in Whitehall. It will inevitably restrict our scope to apply big society solutions when compared with England. In this context it is not surprising that Wales should be falling further behind England.

### **Delivery mechanisms in Wales**

However, all is not lost. Having highlighted some England only provisions, it is important to

note that some apply to England and Wales.

### **Community right to buy**

The Localism Act (Part 5, Chapter 3), which applies in both England and Wales, makes provisions for local groups to nominate any vital community asset, including local shops, pubs, libraries and leisure centres, to be recorded on a 'most wanted' list by the local council. If any of the listed assets is put up for sale the Bill provides for a delay giving local people time to prepare a business plan and put in place funding provisions to enable them to bid.

### **Big society capital**

Big Society Capital was launched in April 2012. It is a groundbreaking social finance institution worth £600 million that will lend money to organisations that provide affordable finance to social projects on a repayment basis.<sup>50</sup> The aim is to establish a sustainable social investment market in the UK that gives organisations tackling social issues access to new sources of finance to help them thrive and grow. Big Society Capital is capitalised primarily through money from English bank accounts that have been untouched for the last 15 years, courtesy of the Dormant Bank and Building Society Accounts Act 2008. Despite the fact that there is no investment in Big Society Capital from dormant Welsh bank accounts, it is a UK body with a UK remit. Consequently it has the potential to benefit third sector organisations across Wales.

Wales is already engaging with some of these big society delivery mechanisms. Indeed, when it comes to developing the principles of time banking we are playing, a leading role. In other respects we are in a weaker position. There are some key areas such as social impact bonds and asset based community development that do not appear to be being applied or at any rate properly applied in Wales. Moreover, despite a clearly stated commitment to transfer public services to social enterprises and mutuals, Welsh Government rhetoric has not been translated into anything like the delivery mechanisms pioneered in England through the Coalition Government's right to provide initiatives.

With the right to provide agenda just beginning to make its presence felt, Wales would seem likely to fall even further behind. Moreover, while Wales is to benefit from the community right to buy provisions in the Localism Act, it is being denied the parallel big society provisions in relation to the community right to challenge. The gathering of nurses, physiotherapists, doctors and other professionals to form a big society mutual in Swindon is particularly sobering and challenging for those of us in Wales who have not allowed the

presence of Bevan's second health service, the NHS, to obliterate the memory of his first, the Tredegar Medical Aid Society. Big society initiatives are not being used to anything like the degree they could in relation to health service provision. As Morgan and Price observe:

'There is, in our view, considerable scope to expand the role of the social business sector in the provision of Welsh healthcare services. At the basic level, Welsh healthcare workers should be given the right, as in England, to form employee-owned co-operatives or community mutuals where they can demonstrate community benefit.'<sup>51</sup>

Although on paper, for example in the *Social Enterprise Action Plan 2009*, the Welsh Government is in favour of transferring public sector functions to social enterprises and mutuals, the lack of action would suggest that when push comes to shove they would really much rather the functions continue to be provided by the state.

The Welsh Government should do more to promote interventions such as social impact bonds and provide robust delivery mechanisms - equal to those of England - for transferring public sector functions to mutuals. It should ask the UK Coalition Government to give Wales the right to challenge or look to bring forward comparable legislation itself through the Assembly. No community has to use this right, if it does not want to. However, allowing it to be given to the people of England, while denying it to the people of Wales, suggests quite wrongly that we are not up to handling the responsibility.

## **Conclusion**

This book has sought to demonstrate that:

- While Wales has some clear social capital strengths, it faces some very significant socio-economic policy challenges.
- Far from being an alien import to Wales, big society thinking actually resonates with Welsh culture and has roots that can be traced back a long way, through political thinkers in Welsh Labour and Plaid Cymru as well as Welsh Conservatives. It provides a means of addressing contemporary challenges that also offers a means of reconnecting with and renewing national traditions.
- Approaching the key economic development challenges in terms of the big society

frame of reference highlights the centrality of child development to the fostering of a high skill, knowledge-based economy that can sustain Wales' standard of living. Securing this will require new investment in our social capital, especially our family social capital.

- There are at Wales's disposal numerous big society initiatives, some of which it has used and some of which it has not. It will be important to invest more in those that have been used (and indeed developed) in Wales, such as time banking, and to introduce those that have yet to make their presence felt, such as social impact bonds. The Welsh Government must harness its social enterprise rhetoric to a political will and real delivery mechanisms.

There is now a need to apply a focused big society critique to all policy areas in Wales: the health service, the prison service, re-integration with society post prison, alcohol and drug abuse, among many other priorities, and to look for big society solutions.

In closing it is important to make two points:

Firstly, a caveat: I was recently talking to someone who suggested that the 'Big Society' was a fundamentally misguided venture. As we spoke, however, it became clear that he was confusing two different things, the current imperatives for cuts and the big society. But they are not the same thing. The truth is that big society policies should be embraced now regardless of the economic situation because this is the right thing to do. The point is not that the big society approach is designed for cuts but that any given unit of government investment deployed in the context of a big society frame of reference should generate more success than recent approaches to welfare service provision. Thus, one could pursue big society policies at the same time as increasing government investment - although this should not result in any projects getting a very large proportion of their funding from government. The point about the big society is not that it leads to cuts in government funding but rather that it leads to a different way of allocating funding.

At present, however, big society policies are being applied at a time of cuts and of cuts necessarily on a scale that will make it difficult for any approach to service provision to keep its head above water. The Government has no desire to introduce cuts but has to deal responsibly with the situation it inherited from the previous administration. If in this environment there are problems, two points must be borne in mind. One should not necessarily conclude that the big society is flawed, only that that it has made its entrance at an exceptionally difficult time that would certainly prove challenging for any other initiative introduced at this time. It will be vital to allow time for the season of cuts to pass

before giving a full evaluation the big society.

Secondly, a perspective is needed that places the current big society challenge for Welsh Conservatism in an historical context. At the level of public perception the ability of those on the centre right in politics to contribute to the restoration of mutuality through the work of mutuals and co-ops is hampered by a forgotten development in Wales in 1917. In that year the co-operative movement had its annual congress in Swansea at which it determined that it needed to have a better vehicle for engaging with the political process and should start its own party. The Co-operative Party was the result.<sup>52</sup>

However, if you want to join the Co-operative Party because you believe in the values of the co-operative movement and you are not in the Labour Party, you confront a difficulty. In joining you have to sign a declaration that states: 'I am not a member of any political party other than the Labour Party.'<sup>53</sup> If these are the parameters that those involved in the Co-operative Party wish to uphold, then in a liberal democratic society that is their right. Those of us from the centre right (and indeed others on the left but who are not Labour) who are deeply committed to the co-operative ideal, must consider whether there is a need for other co-operative-inclined parties.

Today there are 29 Co-operative Party MPs for the UK as a whole - all of whom are known as Labour/Co-op. Three represent Welsh seats: Geraint Davies (Swansea West), Stephen Doughty, (Cardiff South and Penarth) and Chris Evans (Islwyn). In the National Assembly, with nine AMs having a Co-op allegiance there is stronger representation. Indeed, it boasts the highest proportion of all of the UK's Parliaments and Assemblies: Mick Antoniw (Pontypridd), Christine Chapman (Cynon Valley), Alun Davies (Blaenau Gwent), Vaughan Gething (Cardiff South and Penarth), John Griffiths, (Newport East), Minister for Environment and Sustainable Development, Ann Jones (Vale of Clwyd), Huw Lewis (Merthyr Tydfil and Rhymney) Minister for Housing, Regeneration and Heritage, Sandy Mewies (Delyn), and Lynne Neagle (Torfaen).<sup>54</sup>

From the point of view of Welsh Conservatives we need to challenge the perception that Labour is the party of social justice, community, co-operatives and mutuals, while the Conservatives are the party of the rich, shareholders and the individual. We need to communicate our commitment to community, co-operatives and mutuals. A first step would be to create a structure in which we could stand for election to the National Assembly or Westminster as Conservative/Co-op or possibly Conservative/Mutual candidates. This is a challenge that it would be particularly appropriate for the Welsh Conservative Party to address.

## Notes

- 1 [www.socialfinance.org.uk](http://www.socialfinance.org.uk) See Cabinet Office involvement e.g. <http://www.cabinetoffice.gov.uk/news/big-society-innovation-aims-get-families-out-deprivation>
- 2 <http://www.bbc.co.uk/news/uk-11254308>
- 3 <http://www.cabinetoffice.gov.uk/news/big-society-innovation-aims-get-families-out-deprivation>
- 4 See *Social Impact Bonds: Rethinking finance for social outcomes*, Social Finance, August 2009; *Towards a new social economy: Blended value creation through Social impact Bonds*, Social Finance 2010 and *Social impact Bonds: unlocking investment in rehabilitation*, Social Finance, 2010.
- 5 See <http://www.socialfinance.org.uk/social-impact-bond-conferences-march-2011>
- 6 See <http://www.allia.org.uk/>
- 7 <http://www.trusselltrust.org/foodbank-projects>
- 8 <http://www.festivalchurch.co.uk/foodbank/>
- 9 *Ibid.* One can find out more about community franchising at <http://www.communityfranchising.net/> <http://www.respublica.org.uk/item/Community-Franchising-Local-innovation-for-national-practice> and <http://www.shaftesburypartnership.org/blog/community-franchising-combining-localism-quality>
- 10 <http://www.franchisingworks.org.uk/>
- 11 <http://www.respublica.org.uk/item/Community-Franchising-Local-innovation-for-national-practice>
- 12 <http://www.communityfranchising.net>
- 13 <http://www.communityfranchising.net/practicaladvice/communities-social-action-and-faith>
- 14 See, for example, Peter Stead on the whinge mode as the default position of Welsh politics: 'Wales 2010: year zero,' *Agenda*, Summer 2010, page 4.
- 15 To find out more visit the asset based community development institute website [www.abcagesinstitute.org](http://www.abcagesinstitute.org)
- 16 John P. Kretzman and John L. McKnight, *Building Communities from the Inside Out; a Path Toward Finding and Mobilising a Community's Assets*, Evanston, Illinois, Institute for Policy Research, 1993.
- 17 John McKnight and Peter Block, *The Abundant Community: Awakening the Power of Families and Neighbourhoods*, San Francisco, Berrett-Koehler, 2010, pages 1-2.
- 18 *Ibid.* page 58. This provides a further much needed critique of the argument (see Chapter 3) that those looking at fiscal supports for marriage are unromantic and have lost the plot. Rather it is they, with their otherworldly and individualist understanding of marriage, who have lost the plot.
- 19 *Ibid.* pages 119-123 and 124.
- 20 McKnight and Block, *The Abundant Community*, page 18.
- 21 See <http://www.timebankingwales.org.uk/> and <http://justaddspice.org/>
- 22 University of Wales, Newport and Spice, *Looking Back: A Review of the Community Time Credit Systems that have given birth to Spice*, 2009, page 1.
- 23 Edgar S. Cahn, *No More Throw-away People: The Co-production Imperative*, Essential Books, 2000.
- 24 *Sowing Seeds, Time banking: Public Service Delivery with Time Currency*, Public Service Management Wales and the Welsh Government, page 6.
- 25 *Ibid.* page 11.
- 26 David Cameron, 'Business in the Community Speech', 2 December 2010.
- 27 Jesse Norman, *The Big Society*, pages 172-176; and Philip Blond, *Red Tory*, pages 197 and 218-219.

28 A *New Voice for Wales*, The Welsh Conservative Assembly manifesto 2011, page 1; see also pages 24-25.

29 Welsh Government, *Social Enterprise Action Plan for Wales 2009*.

30 Welsh Government, *Social Enterprise Action Plan for Wales 2009*, page 25.

31 *Ibid* pages 27-28.

32 *Ibid.* page 26; see *The One Wales Agreement*, 27 June 2007, page 29.

33 *Ibid.* para 1.2, page 5. Later the plan states (para 4.43): 'We will require each Assembly Government Department to identify opportunities for social enterprise solutions within its functional area, and we will encourage other parts of the public sector to do likewise.'

34 *Ibid.* Figure 1, page 9.

35 *Ibid.* para 2.12, page 13.

36 *Ibid.* para 4.2, page 25.

37 *Ibid.*

38 *Ibid.* para 7.4, page 48.

39 *Ibid.* para, 7.23 page 53.

40 Mark Drakeford, *Building the Social Enterprise Economy*, <http://www.clickonwales.org/2011/07/building-a-social-enterprise-economy/>

41 The UK co-operative economy 2010: A review of co-operative enterprise, Co-operatives UK, p. 18.

42 Kevin Morgan and Adam Price, *The Collective Entrepreneur: Social Enterprise and the Smart State*, March 2011, page 35.

43 *Big Society plans for better public services*, Cabinet Office Press Release, 17 November 2010.

44 *Ibid.*

45 Cabinet Office Press Release, 2 February 2011.

46 See Cabinet Office Mutual Pathfinder Programme <http://www.cabinetoffice.gov.uk/news/francis-maude-launches-pathfinder-mutuals>

47 <http://mutuals.cabinetoffice.gov.uk/>

48 The Localism Act 2011, Part 5, Chapter 2.

49 Ioan Bowen Rees, *Government by Community*, page 212.

50 <http://www.bigsocietycapital.com/pdf/press/Prime%20Minister%20Launches%20BSC.pdf>  
The rationale for providing a major increase in social investment opportunity is set out in great detail in the important Cabinet Office paper, *Growing the Social Investment Market: A vision and strategy*, February 2011: <http://www.cabinetoffice.gov.uk/resource-library/growing-social-investment-market-vision-and-strategy>

51 Kevin Morgan and Adam Price, *The Collective Entrepreneur: Social Enterprise and the Smart State*, page 34.

52 See [http://en.wikipedia/wiki/Co-operative\\_Party](http://en.wikipedia/wiki/Co-operative_Party)

53 [http://party.coop/info\\_join\\_us.php](http://party.coop/info_join_us.php)

54 See <http://www.party.coop/lists/welsh-assembly-members/> The Co-op Party web site shows that just five out of the Scottish Parliament's 129 MSPs are registered as members of the Co-op Party <http://www.party.coop/lists/members-of-the-scottish-parliament/>. The Northern Ireland Assembly website does not mention that it has any Co-op Party Members <http://www.party.coop/northern-ireland/>



## **About Dan**

Dan Boucher stood as the Welsh Conservative candidate for Swansea East in 2011 moving from fourth to second place and plays an active role in the party in Wales. He is a founding member of Gweini: The Council of the Christian Voluntary Sector in Wales which in 2008 worked with the Welsh Assembly Government to conduct the first national audit of the contribution of faith communities to the Welsh economy. Dan works as a public affairs director in the charity sector engaging with parliamentarians at Westminster, Brussels, Stormont, Holyrood and Cardiff Bay. He has a PhD in politics from Swansea University. He is married to Emma and the father of baby Sam. They live in Morriston.

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# The Big Society in a small country

Wales, social capital,  
mutualism and self-help



**This book is born out of a desire to apply big society thought to the ‘small country’ of Wales. It argues that, far from being an unhelpful, alien, English import that Wales can well do without, the big society concept is, in a real sense, more Welsh than English. It contends that Wales can certainly add value to the development of big society ideas in practice and at the same time renew its own economic life, identity and traditions.**

**Chapter 1 provides an overview of the challenges facing Wales that big society solutions must address if they are to make any significant difference. Chapter 2 asks the question, why would we want to employ apparently English big society solutions in Wales? Chapter 3 applies big society thinking to economic development. The closing chapter suggests practical initiatives for Wales to take this agenda forward. As Lord Griffiths of Fforestfach observes in his Introduction, “This book opens up a huge debate, not just for Welsh Conservatives but for open-minded people in all political parties.”**

Dan Boucher was the Welsh Conservative Assembly Candidate in Swansea East in the 2011 election. Today he works in public affairs at Westminster, also managing a team covering Stormont, Holyrood, Brussels and Strasbourg.

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