A CHALLENGE TO THE BRITISH POLITICAL TRADITION OR BUSINESS AS USUAL?:

A STUDY OF SOCIAL ENTERPRISE FROM 1997 TO 2015

A thesis submitted to The University of Manchester for the degree of Doctor of Philosophy in the Faculty of Humanities

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SCHOOL OF SOCIAL SCIENCES
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<tr>
<td>APM</td>
<td>Asymmetric Power Model</td>
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<tr>
<td>BPT</td>
<td>British Political Tradition</td>
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<tr>
<td>BR</td>
<td>Bevir and Rhodes</td>
</tr>
<tr>
<td>CR</td>
<td>Critical realism</td>
</tr>
<tr>
<td>DPM</td>
<td>Differentiated Polity Model</td>
</tr>
<tr>
<td>NPM</td>
<td>New Public Management</td>
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<tr>
<td>OCS</td>
<td>Office for Civil Society</td>
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<tr>
<td>OTS</td>
<td>Office of the Third sector</td>
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<tr>
<td>SE</td>
<td>Social Enterprise</td>
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<td>SEU</td>
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Abstract

This thesis investigates the power relationships between the core executive and non-state actors at the heart of policy making in the UK. It assesses the extent to which an increasingly fragmented polity has led to autonomous non-governmental actors challenging the centralised power of the state and with it the dominant political traditions which have, over time, informed the British system.

To address this theme, the research examines the emergence of the concept of social enterprise (SE) through the period 1997-2015, and the changing patterns of network governance, through a case study approach. During this period, SE was lauded by governments from across the political spectrum as an innovative means by which to devolve autonomy to front-line actors in the delivery of public goods. The thesis asks whether SE lived up to this potential or was it constrained and shaped by a core executive committed to a command and control style of hierarchical governance and if so, why?

The findings from the research contribute to existing debates in the SE, governance and political tradition literatures and connects the three analytically for the first time. It identifies and addresses under theorisation in the existing SE literature and seeks to resolve this through the application of the analytical framework of the British political tradition. It makes an analytical contribution to this literature by connecting it to the BPT and governance literatures for the first time. This approach is used to explain continuity in the relationship between government and SE as an alternative provider of public goods. It also constitutes the first study to consider the development of SE under three successive governments from the perspective of the BPT and governance approaches, making an empirical contribution to this end.

More broadly then, the thesis responds to the most recent contributions to the critical wave of the BPT, which argue that it is not uncontested or immune to change and reveals that, contrary to these views, it continues to dominate the way actors conceive of the power relationships between SE and the core executive which, in turn, prompts the continuation of highly centralised, hierarchical forms of governance.
Declaration

No portion of the work referred to in the thesis has been submitted in support of an application for another degree or qualification of this or any other university or other institute of learning.

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I would also like to express my thanks to my parents, Lesley and Graham, who have always been there for me and who gave me the best foundation in life anyone could ask for. Without their help I could not have afforded to spend the last 4 years working on this project. For this, and for so much more, I am extremely lucky to have them.

My final acknowledgement is for my partner Luke who has been with me through the thick and thin of this thesis. He has listened to me complain and doubt myself time and again and has always been there to put me back on the right path. Thank you for being my rock.
Chapter One – Introduction

This thesis investigates the power relationships that exist between the core executive and non-state actors at the heart of policy making in the UK. It assesses the extent to which an increasingly fragmented polity has led autonomous non-governmental actors to challenge the centralised power of the state and the dominant political traditions which have historically informed the British system. It looks specifically at the emergence of social enterprise (SE) through the period 1997-2015 and uses this as a case study through which to consider these important power relationships.

In trying to understand state transformation as seen through these relationships, it asks:

1. Given the alignment between SE and the Third Way and the Big Society, how was SE conceived of and developed in practice under the New Labour and Coalition governments from 1997 to 2015?
2. Did the rhetoric and reality of SE’s role in the delivery of public goods differ, and if so why?
3. How may we understand the nature of network relationships involving SE?

In analysing these three periods, and their approaches to SE, it is essentially asking: does an analysis of the Blair, Brown or Cameron Governments, and their relationships with SE, reveal a challenge, or change, to the dominant traditions which shape the institutions and processes of the British political system and if not, why? The key puzzle this thesis seeks to address is concerned with the extent to which the commitments of successive governments to devolve autonomy to SE materialised in reality. Given these commitments, SE appears to have had every possibility to prove a genuine challenge to the dominance of the British Political Tradition (BPT), this thesis investigates whether this occurred in reality and if not, why?

The research will contribute to existing debates in the SE, governance and political tradition literatures, connecting the three analytically for the first time. The current body of dedicated SE literature suffers from under theorisation which my research would seek to resolve in large part through the application of the approach of the BPT, to explain continuity or change in the relationship between government and SEs as alternative providers of public goods. I will respond to the most recent contributions to the critical wave of the BPT (a single meta-tradition underpinning the institutions and processes of the British political system), argue that it is not uncontested or
immune to change and assess if the case of SE evidences, or casts doubt, on these claims (Bevir and Rhodes, 2003; Hall, Marsh and Vines, 2018).

1.2 - Positioning the Research

Since 1994 SE policy has emerged at the heart of British governance; variously described as offering ‘radical new ways of operating for public benefit’ (Blair; 2002) pioneering new approaches to the delivery of successful public services (OTS; 2006) and becoming part of a ‘self-sustaining, independent market that is going to help build the big society’ (Cameron; 2012). Despite its centrality, and rhetoric suggestive of its increasingly autonomous role in service delivery, comparatively little is known about the development of SE as a potential governance strategy, with my study constituting the first extended analysis of its kind.

This rhetoric, indicative of SE’s autonomous role in the provision of public goods, also suggests that it has every potential to disrupt notions of a single, dominant tradition, the BPT, built on highly centralised, elitist and hierarchical forms of government. If SE has proved a successful challenge to this dominance it may indicate, in turn, that the BPT has been superseded by competing traditions which advocate the hollowing out of the state, the differentiated polity and society-centric forms of governance advocated by the likes of Rhodes (1997). The emergence and development of SE in the UK offers a well-founded case study through which to consider these questions because of what it, as a sector, represents.

Although definitions of SE are contested (explored further in Chapter Four) there are certain basic tenets shared by most descriptions of the sector. SE is understood in this research to be a business model with the clear potential to disrupt existing private and public models of service delivery in the UK. SEs are understood to be private companies delivering services or goods at market value and using the majority of profits derived from trade to support social causes. It may also support social causes (such as tackling homelessness) through the way they conduct business (i.e. specifically recruiting homeless employees). This definition is shared by a leading representative organisation for the sector, Social Enterprise UK, which describes SEs as:
Like traditional businesses [which] aim to make a profit but it’s what they do with their profits that sets them apart – reinvesting or donating them to create positive social change. Social enterprises are in our communities and on our high streets – from coffee shops and cinemas, to pubs and leisure centres, banks and bus companies (SEUK, 2018).

SE is an excellent case study through which to address these larger questions of the nature of the modern British state precisely because of its potential to merge socially motivated private enterprise with the autonomous design and delivery of public goods.

SE has the potential to prove a significant challenge to the hierarchical power of central government and the continued dominance of the BPT. It is the central drive of this thesis to assess to what extent SE signified such a challenge and, if it did not, why this was the case. In so doing it contributes to three existing bodies of literature: the nascent SE literature; the BPT literature and the governance and policy networks literature.

SE is well placed to pose a genuine challenge to the dominance of the BPT because of the apparent perception (held among key ministers, civil servants and national SE representative organisations) of its unique ability to bring together the best of public and private forms of service delivery (see Chapters 4 and 6). SE appeared to synthesise the principle motivation to deliver public goods with the efficiency and sustainability of private, for-profit, business models. Policy makers and SEs themselves initially appeared to champion this enhanced and autonomous role for the sector in the design and delivery of public goods. This idea, of a quasi-public/private form of enterprise autonomously designing and delivering traditionally public services, runs in stark contrast to the dominant mantras of the BPT which advocate conservative notions of responsibility and highly centralised forms of governance. The fact that policy makers appeared to initially support this drive to devolve greater autonomy to the SE sector suggests that its emergence may have provoked a challenge to the dominance of the BPT.

In addition to this, another key challenge comes from SE’s initial presentation as a body of organisations independently and organically seeking to identify and address gaps in service design and delivery, without the instigation of the core executive. The
idea that groups of private citizens, driven by good intentions, may establish and deliver their own sustainable solutions to public problems seriously threatens the concept of strong, centralised forms of governance advocated by the BPT. SE, in this sense, had the clear potential to pose a significant challenge to the dominance of the BPT in the UK. This thesis sets out to establish whether this materialised in practice and, if not, why?

It is because of this unique positioning (unmatched by, for example, simply outsourcing to private sector actors) that SE is better placed to explore potential challenges to the dominance of the BPT than other possible examples of the provision of public goods or state transformation. Unlike these other potential challenges to the BPT, SE appeared to be rhetorically championed by key actors in the core executive itself. This is an idea (set out above) which runs contrary to the key tenets of the BPT which advocate, strong and centralised government which is responsible rather than responsive.

Similarly, and unlike, for example, outsourcing to purely private sector actors, SEs did not (at least initially) appear to want to simply deliver services in accordance with the designs or priorities of the core executive (see Chapter 6). SE was, rather, a radical hybrid business form that identified solutions to public problems, unbidden by Whitehall. The solutions they designed independently, sought to be sustainably funded, thereby removing their reliance on public money or charitable benefactors. SEs could have potentially superseded central government provision unlike private sector actors viewing central government as the customer or more charitable and voluntary based forms of provision struggling to provide sustainable solutions, at scale.

Several key findings emerge in this study in relation to the research questions raised and the analytical framework employed, they are set out in full in Chapter 9 and summarised here.

In Chapter 6 the thesis finds that the emergence and development of SE in the UK from 1997 to 2015 was shaped and constrained by successive governments intent on promoting their own priorities for the sector which ranged from its role in the provision of major public services to a focus on greater levels of social equity finance. These
findings reveal that each government retained a commitment to strong, centralised and not necessarily responsive government, and that this perception of the ideal role of government was held by policy makers responsible for SE throughout the periods in question.

An exploration of the relationship within the SE sector, between it and the wider third sector and between it and Whitehall demonstrates the continued dominance of the centre in policy making. Minister sand civil servants are shown to hold and perpetuate this perception of the ideal role of government being concerned with conservative notions responsibility and strong, centralised and accountable but not necessarily responsive government. Such views were not, however, necessarily held by SE practitioners themselves who, in part, seemed critical of the centre’s tendency to deploy hierarchical power. Whilst these SE practitioners may have refuted the continued dominance of the centre in retrospect, they nevertheless accepted it and many of the practitioners interviewed, described being complicit in their preparedness to change the sector to satisfy these expectations.

In Chapter 7 SE policy networks are shown to been dominated by the centre which financially cultivated them, chose and limited their membership and ultimately dismissed them when they dissented. Rather than proving an entirely new form of governance the findings show that the core executive levied hierarchical power and resource advantage to dominate the sector and the networks through which it operated.

Finally, Chapter 8 shows how the emergence of SE in the UK (between 1997 and 2015) did not pose a genuine challenge to the BPT. Whilst all gave rhetorical commitments to devolving autonomy to the sector to design and deliver services and goods, none followed through on these in practice. The single meta-tradition of the BPT is shown to inform the way actors and institutions conceive of the role of government in the British political system.

The main contribution to knowledge made by this thesis is an empirical one. It sets out, for the first time, how the phenomenon of SE emerged and developed in the UK between 1997 and 2015; showing it to have been shaped and constrained by successive governments intent on cultivating the sector to deliver on its own priorities. It reveals these priorities and the approaches taken towards the sector by the Blair, Brown and Cameron governments of this time. It shows how they respectively conceived of SE
as: an alternative provider of major public services, a smaller community-based vehicle for localised provision and, finally, equity financed SE catering to the needs of its investors and shareholders and ultimately rolled back into conceptions of the general third sector. Each of these approaches, whether they were intended to be supportive to the sector or not, represents the central executive determining the role SE should play and, ultimately, constraining its potential based on its own, centrally determined, agenda.

The study makes an original contribution to the dedicated SE literature, which is argued to be under-theorised. The existing literature raises a number of questions related to the way the state may have constrained SEs development but does so without theoretically, or empirically, grounding its proposed answers to these questions which are raised largely as a suggestion for potential future research. This thesis brings together the BPT and governance perspectives and uses the analytical framework they provide to help unpick these questions. Specifically, the Governance and policy networks approach is employed to assess the extent to which SE policy networks may, or may not, have posed a challenge to the autonomy (and command and control approach to governance) of the core executive. The BPT literature helps the thesis to reveal actors’ perceptions of the role of government: characterising these as strong, centralised and responsible rather than responsive. These analytical features matter because they help to cut into the primary research question of this thesis and allow an examination of the extent to which the emergence of SE challenged the dominant BPT or, on the contrary, if it was actually shaped and constrained by governments whose perceptions of the role of good government were informed by these traditions and, essentially, limited by the path dependency of the BPT.

The thesis makes a contribution to the BPT literature by feeding back into these key debates and ideas. Notions of the BPT being increasingly subject to challenge by competing traditions is considered in the case of SE. Rather than suggesting that these have been overturned, the data reveals that a top-down view of democracy, asserting that ‘government knows best’, in relation to determining the role SE should play in designing and delivering public goods, compared to non-government actors (Marsh, Richards and Smith, 2001) continues to prevail and dominates perceptions of policy makers concerning the role of the core executive in the British political system These
perceptions were not shown to be held by the SE practitioners themselves, but their resource and power disadvantage meant they counted for little in practice. SEs may not have liked the continued dominance of the centre but they nevertheless accepted it and, where possible, many of those interviewed spoke of trying to adapt to fit in with the changing priorities of government.

The thesis makes its final contribution to the governance and policy networks literatures. It reveals that, contrary to the society centric accounts of governance, policy networks existed but did not constitute a new form of governance which displaced the centrality of the core executive in policy making. It shows that networks were managed and controlled by the state and were ignored when they disagree with the direction imposed by the centre. Governments are shown to have maintained hierarchical and resource dominance and used this to shape networks to serve their own interests. This contributes to the state-centric and state-centric relational accounts of governance advanced by the likes of Marsh, Richards and Smith (2001) and Bell and Hindmoor (2009).

1.2.1 – The SE Literature

There is a small but growing body of dedicated SE literature which, this thesis argues, suffers from under theorisation. It asks questions such as: has the state set out to harness and steer the work of SE for their own governing agenda (Ridley-Duff and Bull; 2011) or have SEs become autonomous entities employing their own steering mechanisms to respond to failures of the state and market in solving social objectives (Cho; 2006)? Does SE constitute a radical force for change (Ellis; 2010) or does it mimic the mainstream neoliberal impulse to marketise welfare provision (Farnsworth; 2006)? But these questions are theoretically ungrounded, discussed in loose and ambiguous terms and largely considered as a potential concern for future research. The debates that arise in this small dedicated body of literature (primarily located in the area of business studies) have never been considered from the perspective of political traditions, governance or debates around the nature of the state. I argue that these are very well placed to improve the theory and understanding of the role of SE in the delivery of public goods and the changes this may, or may not signal, in relation to the transformation of the state. Crucially, this thesis sets out to investigate a gap between the rhetorical positioning of SE under New Labour and the Coalition and how it
developed in practice. It seeks to understand if and why, given the central role it played for over two decades in British politics, the development of SE may have been shaped and constrained by the core executive.

1.2.2 – The British Political Tradition

The British Political Tradition is employed as the central explanatory approach in this research. It is used to shed light on why, despite the proposed shift away from a top down model of public policy delivery to a differentiated multi-service delivery environment, successive governments may have continued to operate didactic, command and control approaches to governance through hierarchical means.

The literature on the BPT explored in Chapter Two of this thesis is essentially broken down into three waves (classical, interpretivist and critical realist) with my contribution specifically addressing the final, critical realist, wave which itself builds on the earlier contributions of Birch (1964), Beer (1965) and Greenleaf (1983a, 1983b, 1987) and Bevir and Rhodes (2002, 2003, 2006, 2008, 2011) among others.

The critical wave presents the BPT as a single meta-tradition which underpins the institutions and processes of the British political system. The extent to which this remains a powerful influence on the practice of British government is, however, increasingly questioned (Marsh and Hall, 2015). It also seeks to explore and, in part, reveal the elitism deeply embedded in the British political system. The attempts made by Hall to improve upon the theorisation of political traditions marks an important development in the BPT literature. By advancing concepts of predominant and competing narratives, Hall develops a conceptualisation which goes beyond many of its predecessors in theorising how political traditions shape the processes and institutions of the British political system. The idea of competing traditions is an important one because it suggests concessions to a previously single, dominant tradition advocated by the critical realists. This thesis will assess, through the case studies of SE’s development from 1997 to 2015, to what extent the BPT shaped the sector’s emergence in the UK. It will add to this debate by evidencing, or casting doubt on, the existence and influence of competing traditions on the development of SE; and its potential challenge to the dominance of such traditions.
1.2.3 - Governance and Policy Networks

The governance perspective adds another crucial conceptual lens through which to consider the emergence and development of SE. It encourages us to focus on the increasingly complex interrelations between state and society in modern political systems (Flinders, 2002, p.52).

Prior to the mid-1970s, power (in the UK) was considered to be concentrated in the core executive which was accepted as the ‘appropriate, legitimate and unchallenged vehicle for social change’ (Pierre and Peters, 2000, p.2). This hierarchical power-dynamic was embodied in the Westminster model which advocated strong, centralised and accountable government.¹

Since the breakdown of the ‘hierarchic bureaucracy’ of the Keynesian welfare state (Bevir and Rhodes, 2011, p.204) and the rolling out of New Public Management (NPM) policies under the Thatcher Government this ‘monopoly on political power’ has become increasingly contested and the power relations between state and society have been called into question (Richards and Smith, 2002, p.13).

Competing accounts of governance in the UK have emerged over the extent to which non-governmental actors may have displaced the executive from the centre of policy making. These fall into two specific categories (discussed further in Chapter Three). The first of these is the society-centric literature: which argues that fragmentation has confounded central coordination and led to the proliferation of autonomous policy networks capable of imposing their will on governments. The second is the state-centric literature: which advocates that meta-governance and the continuation of highly centralised hierarchic forms of power mean that the core executive continues to dominate the policy process in the UK.

¹ The Westminster model is defined by Rhodes as an ‘organising perspective’ which attempts to characterise essential features of the British political system focussing on concepts of: parliamentary sovereignty, strong cabinet government, electoral accountability, majority party control of the executive, official opposition and the ‘rules of debate’ (Rhodes, 1997, p.5).
In the case of SE, the governance approach encourages us to analyse the relationships between a range of actors, organisations and networks whose interactions with the core executive may have shaped the policy process. It raises a number of questions concerning the extent to which these networks exist in the sphere of SE policy, how influential they have been and whether they have exerted any influence over the direction of SE related policy in the UK. The answers to these questions inform not only an understanding of the development of SE but equally impact on those same debates within the governance literature which help to shape them. An analysis of SE’s emergence and development under the Blair, Brown and Cameron governments will shed light on the extent to which society or state-centric forms of governance best explain the policy making process in regard to SE and the power-relations between the sector and the core executive.

The thesis attempts to contribute to these debates and addresses these lacunae though its conceptual framework and empirical analysis of the emergence and development of SE in the UK.

The three literatures set out in the following chapters help to explore both what occurred in relation to the emergence of SE in the UK and why this may be the case. The Governance and policy network literatures draw attention to the potentially fragmented nature of contemporary policy making and direct a focus on the relations between SE and the core executive in Whitehall policy networks. The literature raises key debates concerning the extent to which the presence of potentially autonomous policy networks signals the rise of a new form of governance. It asks whether these present a challenge to the traditional forms of command and control from the centre or whether the executive actually continues to dominate these networks through its resource advantage and hierarchical forms of governance. A consideration of these ideas allows the thesis to establish what happened in the case of SE’s emergence and development, allowing it to determine to what extent it may have challenged the autonomy of the central executive.

Where the Governance literature helps us understand what is happening in relation to this challenge, the BPT literature is employed to help explain why such a challenge
may or may not have occurred (the principle research question of the thesis). It prompts a consideration of the ways actors and institutions perceive of the role of government in policy making and suggests a key set of principles on which this is based: namely strong, centralised and accountable government. The BPT adds to the Governance literature a consideration of why such challenges may or may not have occurred in the British political system. Debates within this literature, around the extent to which competing traditions may have threatened the dominance of the BPT, are shown, however, to lack an empirical base. The case of SE helps to generate new empirical data through which to consider these key questions.

Finally, the nascent and interdisciplinary SE literature is shown to have considered several of these questions as points for future research without grounding any of their initial reflections in a theoretical perspective well placed to answer them. The Governance approach allows the thesis to examine the presence of SE in key policy networks in Whitehall and assess the extent to which these networks may, or may not, have posed a challenge to the hierarchical power of the core executive. The BPT literature underpins discussions around actors’ perceptions of the role of government as strong, centralised and responsible rather than responsive. It helps us to understand if SE was constrained by the core executive, itself potentially limited by the path dependency of the dominant tradition. Approaching the phenomenon of SE from the perspective of the BPT and Governance literatures helps to address the lacuna and under-theorising identified in the dedicated literature.

1.3 - Thesis Structure

The next chapter begins by considering the conceptual framework of the BPT. It argues that it forms an essential perspective from which to explore the changing nature of the state. It discusses three waves of literature on the BPT: the classical, interpretivist and critical, considering their respective strengths and weaknesses.

It argues that the classical wave is based on shared concepts of representation and responsibility. Whilst it improves on earlier accounts of the nature of the state (such as the Westminster model), the classical approach is shown to be based on normative
commitments to sets of values and traditions which underpin the political system and promote stability and continuity (Birch, 1964, p.13).

Interpretivist traditions are then explored. Here I posit that Bevir and Rhodes’ notion of traditions, which are described as sets of understandings received during socialisation, cannot tell us about processes of change in the British political system. They promote an agency-centric understanding of the impact of the BPT on the institutions and processes of government. This in turn limits the capacity of traditions so as not to reify them (Bevir and Rhodes, 2008, p.731), and reveals an essential conflict between the interpretivist and critical realist waves.

The critical wave is finally presented as a single meta-tradition which underpins the institutions and processes of the British political system. It sets out the latest turns in this literature which raises the possibility that competing traditions may now threaten the dominance of the single BPT. The chapter sets up these debates and in so doing lays out the broad, conceptual framework in which the approach within the thesis is grounded.

Chapter Three considers the key debates on governance, and the nature of state transformation, which have taken place in this literature over the past four decades. It sets up further key debates within the governance literature, exploring the society-centric, state-centric and decentred literatures.

Understanding these debates and the conceptual frameworks they refer to is important to this study because the governance approach takes power seriously. It encourages us to focus on the multitude of actors and locations in which policy making now takes place. An assessment of the location of power in British politics is fundamental to this thesis because it is essential to understanding if SE posed a challenge to the dominance of the core executive and, if not, why this may have been the case. The chapter sets out the critical perspective this thesis adopts.

The second part of Chapter Three looks in more detail at the network governance literature. It sets out the existing work on policy networks in order to consider the impact this may have on an understanding of SE’s development in the UK. The
dialectical approach to network governance is explored towards the end of the section where it is argued that agents can make strategic decisions within networks, interpret the structural context, bargain, disrupt and negotiate network structures (Toke and Marsh, 2003, p.232). Networks are presented as ‘institutional and interpersonal’ affecting outcomes because they can shape agendas and ‘mediate exogenous change’ (Gains, 2003, p.60). This conceptual framework is important when considering if, and how, SE may have shaped, or been shaped by, the core executive’s approach to its emergence and development.

The fourth chapter establishes what is known about the relationship between SE and the New Labour and Coalition governments, through an analysis of the extant secondary literature. It examines how the emergence of SE coincided with a reassessment of the delivery of public goods in Britain. Both the Third Way under Labour and the Big Society under the Conservative-led Coalition are shown to be rhetorically committed to transcending the traditional statist models of social democracy and neo-liberalism (Teasdale, 2011) when it comes to redesigning public service delivery.

The chapter reveals a gap in the literature which has not yet considered the role of governments in shaping SE’s development. It demonstrates that whilst questions have been raised about the nature of the relationship between SE and the state, these have never been adequately addressed. There has never been a rigorous examination of this relationship which draws on the theoretical and conceptual framework provided by the BPT and governance literatures and this thesis will attempt to fill that lacuna.

Chapter five discusses the methodology used to address the research questions the thesis raises. It sets out my critical realist epistemology and explains how this impacts on the research design. It discusses the qualitative methods employed; including an embedded case study design, elite interviews and documentary analysis with triangulation of data to improve robustness. It looks at each of these issues from an operational perspective and concludes by considering the practical limitations encountered in the research as well as those informed by my epistemological stance.
Chapters Six, Seven and Eight present the findings of the research. The first of these characterises the nature of SE as it developed under the Blair, Brown and Cameron governments of 1997 to 2015. The chapter specifically addresses the first research question of the thesis; asking how SE was conceived of and developed in practice under New Labour and the Coalition governments? Its findings also cast light on the second question which considers potential gaps between the rhetoric and reality of SE’s role in the delivery of public goods under each government.

The second empirical chapter, Chapter Seven, assesses the nature of the relationships within the SE movement, between SE and the wider Third sector and between SE and Whitehall. Through an exploration of the networks, institutions and actors involved in the policy process it contributes to addressing the third key research question of the thesis: how may we understand the nature of the network relationships involving SE? The findings contribute to key debates within the governance and policy networks literatures in the UK.

Chapter Eight considers the extent to which autonomy has been devolved to SE by successive governments from 1997 to 2015. It uses a mixture of elite interviews and documentary analysis data to consider if and how government sought to shape the development of SE and direct its emergence in the UK.

Finally, Chapter Nine draws together the conclusions of the thesis, setting out in detail the findings of the research and their impact on the questions it set out to answer. It reveals that successive governments sought to shape the development of SE in the UK, each with a somewhat different characterisation of the sector. It reveals a gap between the rhetoric each of these assigned to the autonomous role SE could play in the delivery of public goods and the reality of the commanding and controlling relationship it continued to be subject to. It argues that SE did not constitute a significant challenge or change to the dominant BPT and reveals how this continues to inform the nature of the relationship between the sector and the core executive in SE-related policy making. Finally, it returns to the governance debate; demonstrating how the case of SE has reaffirmed hierarchical, state-centric accounts of governance in the UK.
Chapter Two - Literature Review: The British Political Tradition

2.0 – Introduction

The British Political Tradition (BPT) has informed debate on the nature of the British political system for over fifty years (Diamond, 2014, p.22). Understanding its impact, as an ideational underpinning of the institutions and processes of government is a crucial part of assessing any change in the policy making process of the British state. This thesis seeks to understand the nature of the relationship between SE and the core executive from 1997 to 2015 to assess whether its emergence posed a challenge or change to the practices of the British political system during this period. To this end the BPT is adopted as a central explanatory approach. It is employed in order to better understand how a dominant tradition may have informed, or constrained, the ways in which successive governments have approached SE and sought to shape its role in the delivery of public goods.

The BPT acts as a powerful lens through which to explore the themes emergent in this thesis. It is the purpose of this chapter to survey the existing literature in this field; to lay a foundation on which this thesis can build.

The existing BPT literature can be divided into three distinct waves (Hall, 2011). These consist of the classical (Birch, 1964), (Beer, 1965), (Greenleaf, 1983a, 1983b, 1987); the interpretive critical (Bevir and Rhodes, 2002, 2003, 2006, 2008, 2011) and the critical realist (Tant, 1993; Marsh and Tant, 1989), (Evans, 1995), (Marsh, 1980, 2003), (Hall, 2009, 2011). Whilst the conceptualisations of the BPT these waves present are methodologically, epistemologically and conceptually diverse, each sets out to establish an understanding of political traditions as a set of ideas which essentially underpin the institutions and processes of the political system.

Traditions, thus conceived, run counter to much of the earlier work on the nature of the British state marked by its uncritical favouring of the Westminster model as an explanatory framework. This uncritical literature fails to account for the emergence of the institutions and processes of the political system or ask, ‘what ideas and views of democracy underpin them?’ (Hall, 2011, p.19). Notions of the BPT address this under-theorisation by developing a concept that, in connecting ideas to political outcomes, claims that there is a ‘governing code’ in the British political system which underpins
the ‘traditional’ strong, centralised model presented by the Westminster model (Diamond, 2014, p.21).

The BPT thus provides an essential perspective from which to explore the potentially changing nature of the state in relation to the role of SE in the delivery of public goods. This chapter sets about assessing the contributions made by these waves. It begins by arguing that the classical wave of the BPT (Hall, 2011) is grouped loosely around concepts of representation and responsibility. Whilst improving on earlier accounts of the nature of the state that gave limited consideration to the impact of the ideational on institutions and processes, the works of Birch (1964), Beer (1965) and Greenleaf (1983a, 1983b, 1987) are shown to ‘examine how particular ideas about democracy have led to patterns of change and continuity in British politics’ (McAnulla, 2006, p.18). Their contribution to an understanding of the BPT is shown to be based on normative commitments to sets of values and traditions that underpin the operation of the political system and are said to bring about the ‘desirable’ (Birch, 1964, p.13) state of stability and continuity.

The second section of the chapter explores the interpretivist traditions of Bevir and Rhodes. Here I contend that their notion of traditions, which act as sets of understandings received during socialisation, cannot really tell us about the processes of change in the British political system. It is argued that for Bevir and Rhodes traditions are conceptualised in a way that promotes an agency-centric understanding of the impact of the BPT on the institutions and processes of government. This agency-centric argument, which limits the capacity of traditions so as not to reify them (Bevir and Rhodes, 2008, p.731), reveals an essential conflict between the interpretivist and critical realist waves.

Finally, the critical wave is presented as a single meta-tradition which underpins the institutions and processes of the British political system. The extent to which this remains a powerful influence on the practice of British government is questioned and the elitism deeply embedded in the British political system exposed. It concludes by exploring Hall’s concept of predominant and competing narratives operating in the UK through the concepts of structured inequality and asymmetrical resonance and their relation to the prevalence of the BPT. It is argued that this concept of competing
traditions requires further consideration and empirical verification; a lacuna this thesis seeks to address.

2.1 – The Classical Wave

The classical wave of the BPT literature came to prominence in the 1960s and 1980s with its principal contributions found in the works of Birch (1964), Beer (1965) and Greenleaf (1983a, 1983b, 1987). Whilst diverse, the approaches of these authors are broadly focussed around the concepts of representation and responsibility and an acceptance of the impact of the ideational on the institutions and processes of British government. It is a body that advances theories of continuity and stability (Diamond, 2014, p.31) and normatively justifies their dominant influence and inscription in political institutions. The classical wave’s normative commitment to the values propagated by the BPT are typical of the uncritical approaches to the theorisation of the British political system of their time. Despite this, the contributions that they make to the development of theories of British government marks a crucial advancement on earlier accounts of the nature of the state that placed little emphasis on the impact of the ideational on the institutions and processes of the political system. The critical wave authors have, as McAnulla states, helped to place more attention on the ‘ideas which underpin political practice’ in order to assess how specific notions of democracy led to ‘patterns of change and continuity in British politics’ (McAnulla, 2006, p.18). This wave, and the revisions it provoked, begins with the publication of Birch’s (1964) *Representative and Responsible Government*.

2.1.1 – Birch

In one of the first major works to have focussed specific attention on debates surrounding the development of the British political system (Hall, 2011, p.22) Birch sets out a conceptualisation of the BPT that is shaped by competing notions of representation and responsibility (Birch, 1964, p.13). His approach focuses on the ways in which rivalrous conceptions of democracy have shaped the institutions and processes of the British political system. He argues that to understand the character of such a system, it is important to consider the ways the ideational, that is ‘the climate of political ideas’, impacts on the institutions and processes that in turn inform political
practice (Birch, 1964, p.22). In Britain, he posits, ‘these ideas and attitudes have their roots in certain traditional doctrines about the purpose and ideal nature of a representative system’ (Birch, 1964, p.22). Unless these doctrines and traditions are understood it is impossible to comprehend the nature of the British representative system (Birch, 1964).

For Birch, the behaviour of actors in the political process is informed by dominant traditions that permeate the institutions and practices of the society in which they operate. These traditions are largely ‘embodied in the prescriptive theories of representation and responsibility’ (Birch, 1964, p.241) around which revolve crucial debates concerning the location of power, the role of citizens in government and the extent to which government should respond to the will of the electorate (Hall, 2011, p.123). It is to those theories, and the debates they provoke, that the chapter now turns.

2.1.1.1 – Representation

Birch begins by identifying the importance of debates concerning representation and responsibility. In his view competing notions of representation and concepts of government responsibility combined to form the dominant conception of the BPT as a force for continuity (McManamon, 2012, p.28).

Birch outlines three primary definitions of representation that emphasise different ‘qualities’ commonly understood to be possessed by a representative (Birch, 1964, p.14). The first is that of an ‘agent or delegate’ charged with advancing the interests of those they represent (Birch, 1964, p.14). The second describes: ‘persons and assemblies that have been freely elected’, in which election to office should only be presumed to be representative if it ‘involves some obligation, however slight, to advance the interests and opinions of their electors’ (Birch, 1964, p.15). Here the two definitions are separated because, it is argued, in Britain there is no requirement for elected representatives to act as delegates or even attempt to advance the interests of those they represent. The third, and final definition, is demographic: that ‘a person is […] typical of a class’ (Birch, 1964, p.16). He further argues that this last definition, in the British context, has not been viewed as necessary or desirable because representatives are presumed to ‘act responsibly’ regardless (Hall, 2011, p.20).
The notions of representation forwarded in Birch’s analysis, the Whig, Liberal, Neo-Benthamite and Radical theories were historically specific and ‘transitory’ (McManamon, 2012, p.28). Throughout these transitions keys ideas surrounding the Burkean independence of Members of Parliament have remained dominant (McManamon, 2012, p.28). McManamon (2012, p.30) describes this as ‘a sacrosanct principle of British government’ which is in turn underpinned by the BPT.

Despite the multi-dimensional understandings Birch contends that there is ‘no single theory of political representation that commands general acceptance’ in Britain (Birch, 1964, p.227). Whilst, for Birch, debates surrounding notions of representativeness are manifold, those concerning responsibility are marked by their homogeneity (Birch, 1964, p.237).

2.1.1.2 – Responsibility

Birch states that debates surrounding the responsibility of government did not arise substantially until the 20th century (Hall, 2011, pp.20-1). Even then they revolved around Liberal assertions of the ‘sovereignty of Parliament, ministerial responsibility, and Parliamentary control of the executive’ all of which were largely uncontroversial (Birch, 1964, p237).

Three definitions are given: the first is described by Birch as responsiveness to public opinion, with such responsiveness acting as the distinguishing factor between autocratic and democratic regimes. For Birch, even where governments are strong there must be at least some sense of recourse to displays of public will in order to maintain consent (Birch, 1964, p.18). Secondly responsibility is understood to mean ‘duty and moral responsibility’ (Birch, 1964, p.18). Such a notion, Birch argues, justifies the action of governments pursuing the national interest even where this runs contrary to ‘the immediate approval of the public’ (Birch, 1964, p.18). Governments are considered responsible, therefore, when making strong and, sometimes, unpopular decisions. Finally, responsibility is taken to mean the accountability of ministers and Government to the elected assembly with ‘the principle of ministerial responsibility [being] an essential feature of modern British government’ (Birch, 1964, p.20).

Birch normatively argues that it is right for governments to act against the popular will of the electorate in instances of national interest positing that governments must
‘educate the public so they accept the need for these compromises’ (Birch, 1964, p.21). This strong conservative notion of responsibility in turn shapes those institutions with the responsibility for policy and process. When there is conflict between responsiveness and the need to deliver strong, decisive government, the balance usually falls ‘on the side of consistency’ (Birch, 1964, p.245). Birch further ranks these understandings of responsibility characteristic of the BPT as: ‘first, consistency, prudence and leadership, second, accountability to parliament and the electorate and third, responsiveness to public opinions’ (Birch, 1964, p.245). In so doing he emphasises the extent to which the BPT buttresses the autonomy of government in the decision-making process and promotes the preference in Britain for strong, centralised, executive action even where this runs counter to popular will.

Such a conceptualisation of the BPT is typical of the classical wave’s normative contribution to the ideational, focused on the ‘overwhelming virtues of authoritative and decisive government’ (Diamond, 2014, p.25). Birch casts the strong conservative notion of responsibility, characteristic of the BPT, in an entirely positive light and presents it as ‘almost universally regarded as both desirable and important’ (Birch, 1964, p.13). He neglects crucial questions centred around the relationship between institutions and ideas and privileges continuity at the expense of an account of change (Hall, 2011, p.22). His markedly uncritical approach to the role of traditions in the shaping of policy and process is further shared by Beer who equally forefronts the importance of representation and responsibility to an understanding of the development of the British political system (Beer, 1965; Hall, 2011, p.22).

2.1.2 – Beer

Beer’s Modern British Politics (1965) offers another account of a distinctive BPT that puts debates around representation and responsibility at the fore of the development of the British political system (Hall, 2011, p.22). Unlike Birch, however, Beer conceptualises tradition as ‘political culture’ which he argues is a ‘major factor in explaining the political behaviour of individuals, groups and parties’ (Beer, 1965, p.x). This notion of culture is explored through an extensive critique of the dialectic relationship between ideas and institutions (McManamon, 2012, p.34). Beer views this interrelation as dialectical in the sense that: ‘a culture is not a flow, nor even a confluence [but] the form of its existence is struggle or at least debate’ (Trilling,
quoted by Beer, 1965, p.xiii). The BPT, for Beer, is therefore shaped by the evolutionary process of theories of representation which characterise periods of history and shape political institutions and processes (McManamon, 2012, p.35). This is not, however, to argue that Beer envisages a BPT which acts to produce anything other than order and continuity.

Beer characterises each historic period distinguishing between Old Tory and Old Whig, Liberal and Radical, Collectivist and Socialist theories of representation (Beer, 1965). He argues that Tory conceptions of representation emphasise the ‘supreme monarch’ as initiator of ‘the main points of government’ (Beer, 1965, p.6) with primary control over home, foreign and financial affairs. This, he suggests was inherited by the modern-day government and its ministers of the Crown. He contends that it is ‘of the utmost importance’ for the theory and practice of the BPT ‘that there should have survived from the era of strong monarchy this idea of a central initiating, directing, energising body’ around which ‘the vast powers’ of modern cabinets could centre (Beer, 1965, p.14). Notions of a strong, centralised British executive are, to Beer, a natural historic evolution which, whilst challenged somewhat by Whig conceptions of the balanced constitution, remain dominant (Beer, 1965, p.13). Furthermore, concepts of functional representation and the Burkean (1790) independence of the elected member are indistinguishable across the Tory/Whig divide.

For Beer, Whig theories of representation fore-fronted Parliament at the expense of the Crown with notions of functional representation characterising the continued intellectual independence of MPs. Members, in the Whiggish sense, are ‘representative of the whole community as well as of its component interests’ (Beer, 1965, p.15). The Member is not, however, obliged to sacrifice ‘his [sic] unbiased opinion, his mature judgement, and his enlightened conscience’ (Burke, 1774, quoted in Beer, 1965, p.16).

The Liberal ideas of representation that followed in the 19th century, he argues, built on these Whig conceptions of hierarchy and ‘a top-down diffusion of power’ (McManamon, 2012, p.39). Liberal notions of democracy are based on the individual and represent a marked divergence with earlier notions of corporate representation (McManamon, 2012, p.39). Liberals retained the adherence to ‘hierarchical
Parliamentary representation’ with notions of top-down exercises of power synonymous with the Tory and Whig conceptions (McManamon, 2012, p.40). These Liberal notions of democracy helped to establish strong, highly centralised institutions. Despite this, and even in the face of collectivist demands for a more participatory form of governance in Britain there was never any serious question of re-structuring the system in order to allow for the electorate to more directly impose its will on Parliament and the executive (McManamon, 2012, p.40) The BPT is, and has remained, according to Beer, a distinct influence on political outcomes.

Beer ultimately outlines how the theories of representation forwarded by the Old Tories, Old Whigs and Liberals helped to shape the institutions of British government. His focus on the way ideas shape political outcomes, in turn, allows him to ‘interrogate’ the relationship between ideas and institutions (Diamond, 2014, p.27). In this sense, and unlike Birch, Beer allows for a greater focus on the ways in which ideas of representation and responsibility influence processes and institutions, even if this focus is sometimes criticised for being too idealist (Hall, 2011, p.24). It remains a strength of Beer’s conceptualisation that he attempts to better theorise this relationship, one which the critical wave, explored below, sets out to develop and build upon.

2.1.3 – Greenleaf

Greenleaf, whose three volume tour de force of political traditions has been described as: ‘the most famous study of the [BPT]’ (McManamon, 2012, p. 47), represents a further divergence from the work of Birch and Beer through its focus on the relationship between ‘explicit political ideologies’ and the BPT (Diamond, 2014, p.29).

The BPT is presented as a dialectic between the ideologies of Libertarianism and Collectivism and this, for Greenleaf: ‘constitute[s] the framework in which political activity in Britain occurs’ (Diamond, 2014, p.29).

Greenleaf, unlike Birch or Beer, overtly presents these ideologies as in a continual state of vacillation. He characterises Libertarianism as stressing the importance of the individual, constraining the arena of government intervention, resisting the concentration of power and preserving the security offered by the rule of law (Hall,
Collectivism is described as the ‘artificial identification of human interests’ resulting from political regulation and is ‘usually articulated through a concern with public good and a desire to achieve common security’ (Hall, 2011, p.25). The BPT, for Greenleaf, is the result of the dialectic that exists between these two political ideologies and the tensions that play out between the, sometimes conflicting, demands for individual liberty and government intervention, without one ever eclipsing the other. (Greenleaf, 1983a, p.28).

Crucially, in setting out to better theorise the ways in which the BPT informs the institutions and processes of British politics Greenleaf conceptualises a dominant tradition capable of absorbing those ideologies which may threaten its primacy; an important concept in the later development of the predominant BPT. Where these ideologies clearly conflict, the BPT exposes their consensus in debates around the centrality of executive power and concepts of strong government. This acceptance of the narratives exuded by the BPT, for example, led to the accommodation of the British Labour party in the constitutional settlement (Diamond, 2014, p.28).

For Greenleaf, the BPT is ‘inscribed’ into the institutions and processes of government (McManamon, 2012, p.26). Although McAnulla (2006) and BR (2003) both critique him for the oversimplification of the ways in which ideas impact on institutions, he makes an important contribution in raising this link nonetheless and, as McManamon (2012, p.26) argues, ultimately offers ‘a great deal of heuristic value’ when conceptualising the relationship between institutions and ideas as interactive and iterative (Marsh, 1980) and makes a major contribution through his focus on the way traditions impact on institutions and processes.

The classical wave literature on the BPT, as Richards et al (2014, p.10) lay out, lacks coherence and is ‘certainly not defined by a single, agreed narrative’. Its varying commentaries were very much of their time and place. They share in common, however, both their uncritical acceptance of the Westminster model and the values they identify as natural and evolutionary and notions of the BPT as a continuous debate amongst various theories. It is on these accounts that the critical wave, in both its interpretive and critical realist forms, builds. The next two sections set out to explore the contribution of these two waves; their critique of the classic, their divergence and the opportunity they provide to further improve upon the theorisation of the BPT and
its impact on the institutions and processes of the British political system. This begins with an exploration of the interpretivist traditions of Bevir and Rhodes.

### 2.2 - Bevir and Rhodes: the Interpretivist Traditions

The notion of interpretivist traditions is a concept whose most recent contribution has been primarily led by the work of Bevir and Rhodes (hereafter BR). Traditions feature in their decentred approach as: ‘sets of theories or narratives, and associated practices, which people inherit that form the background against which they reach beliefs and perform actions’ (BR, 2002, p.15). For BR traditions are sets of understandings received during socialisation. They are ‘inherited beliefs about the institutions and history of government [which act] as a starting point, not as something that determines later performances’ (BR, 2006, p.7). As such, for BR, they are not ‘an unavoidable influence’ on everything people do, because to assume as much ‘would leave too slight a role for agency’ (BR, 2003, p.33).

BR’s interpretive approach is based on, what they term, a philosophical analysis of meaning in action (BR, 2006, p.5). The ‘webs’ of these meanings, or beliefs, are understood through the concepts of tradition and dilemma (BR, 2006, p.5). They argue that actors ‘construct their world’ through beliefs which cannot be read-off from ‘objective social facts’ (BR, 2006, p.6). BR adopt the concept of dilemmas to explain the ways in which actors negotiate changes in their beliefs. These dilemmas arise in the form of new ideas that run counter to the existing beliefs, and associated traditions, already held by agents that ‘forces a reconsideration’ (BR, 2006, p.9). In order to explain beliefs, and as ‘individuals are not autonomous’, an appeal must be made to an aggregate concept such as tradition (BR, 2003, p.2). Tradition is defined, as outlined above, as ‘sets of inherited beliefs about the institutions and history of government’ which is a first influence on actors, impacting on the decisions they make only as long as their situated agency has not caused them to amend it (BR, 2006, p.7). BR argue that their interpretive approach dictates the movement back and forth between aggregate and individual analysis (BR, 2003, p.2). They address this balance through the decentring of tradition, or unpacking ‘the actual and contingent beliefs and actions of those individuals who fall under it’ (BR, 2003, p.2). Within the BPT, BR therefore define four distinct varieties of tradition: Tory, Whig, Liberal and Socialist.
2.2.1 - The Ambiguity of Interpretivist Traditions

These four traditions are tentatively outlined in their work with little justification for their selection, indeed for BR, the selection of traditions is not prescriptive but dependent on the purposes of research. These traditions are most substantially outlined in their 2003 *Interpreting British Governance*, though even here they are only superficially explored. The Tory tradition is described as ‘elusive and relentlessly inconsistent’ (BR, 2003, p.109). It is whittled down to the two sub-traditions of One Nation Toryism, with a loose focus around ideas of self-interest and the maintenance of order through hierarchy, and Statecraft, or a set of governing objectives designed to enable the retention of power (BR, 2003, p.110). The Liberal tradition stresses ‘faith in free markets’ and the importance of individual responsibility in tackling economic decline (BR, 2003, p.112). The Whig tradition is closely aligned with concepts associated with the Westminster model such as parliamentary sovereignty and a strong executive (BR, 2002, p.22) and the socialist tradition focusses on ‘economic factors and class with its critique of capitalism’ (BR, 2003, p.115).

Their conception of traditions has been widely critiqued for its ambiguity and under-theorisation (Frohnen, 2001; Hall, 2011; McAnulla, 2007; Marsh, 2008a, p.737; 2008b, p.256; Smith, 2008, p.146). Much of this is rooted in the unexplained selection of the four traditions they present. Throughout their work on the decentred approach, BR impose their own essentialism on these traditions which they then reify. They consistently fail to give any account of their selection other than their belief that they are ‘conventional’ choices (BR, 2006, p.77). Contra other formulations of the BPT, which seek to justify the selection and characterisation of the dominant tradition and, latterly, its competitors (Hall, 2011, p.69), BR leave their audience with a ‘free-floating’ concept whose origins are uncertain and whose historical location is never fully explicated (Hall, 2011, p.70). Traditions are presented as both strong in their socialisation of individuals yet weak in their ability to promote path dependency to inhibit the development of competing traditions. To this end Smith argues that in BRs work ‘exactly what tradition is doing, what it is sustaining and what it is not, is difficult to see’ (Smith, 2008, p.146).
BR are led by their advocacy of the decentred approach, to reject the notion of an aggregate tradition such as the BPT. In its most succinct form, the decentred approach argues that diverse practices escape the control of the centre precisely because they arise from the contingent beliefs and actions of individual actors at the boundary of state and civil society (BR, 2011, p.213). It does not set out to establish a ‘general model of power in the [core] executive’, for example, but offers ‘narratives of the contingent relationships in the [core] executive’ (BR, 2008, p.733). The decentred approaches’ insistence on accounting for the beliefs and meanings of individual actors within political institutions and networks, whilst in some ways a useful development, in conceptualising contingency within the literature, unnecessarily privileges agency and sets it at odds with structures and institutions. It is this essential contest between either beliefs and traditions or institutions and structures at both a conceptual, methodological and empirical level that is unnecessarily restrictive.

To this end, BR presents a somewhat problematic conceptualisation of traditions as entirely: ‘contingent [and] produced by the actions of individuals’ (BR, 2003, p.33) that tends toward explanations of change at the expense of continuity. In negating the duality of structure and agency, they struggle to theorise tradition as an aggregate concept. In so doing they accept an initial socialising role for agents but deny any sense of traditions as being able to constrain or impact on beliefs and actions beyond this. As Marsh observes, these differences come down to contrasting ontological and epistemological positions. BR acknowledge a ‘real world out there’ but deny its causal power (Marsh, 2008b, p.738). By denying institutions and structures such causality they neglect their role in constraining or enabling the intentions of political actors to be realised.

2.2.2 - The Privileging of Agency

BR privilege the role of agency in their argument and negate the capability of traditions to constrain or inform agent choice (Hall, 2011, p.73). They argue that ‘the human capacity for agency implies change originates in the responses or decisions of individuals, rather than the inner logic of traditions’ (BR, 2003, p.35). For them, ‘the carriers of traditions bring it to life’ and ‘settle its content and variations by developing their beliefs and practices, adapting it to new circumstances’ (Hall, 2011, p.58). Whilst
a focus on the beliefs of actors is an undoubtedly useful development in the literature on political traditions, BRs’ decentred governance unnecessarily negates the role of institutions and denies them any causal power. Whilst they may accept that there is a ‘real world out there’ (BR, 2008, p.729), it is only insofar as the interpretations of actors create and re-create it.

BR set out to resolve the negation of ‘autonomous human agency’ in existing accounts of traditions (Batters, 2004, p.69) but in so doing grant too little a role to the ‘weight of the past as brought to bear on the present’ (McAnulla, 2007, p.4). They reduce the ‘social reality’ of traditions to an ‘amorphous material’ with no meaning or purpose of its own’ (Frohenen, 2001, p.108) negating any substantive role for traditions in the constraint of agent choice and invariably reinforcing the structure/agency dualism they set out to criticise (Hall, 2011; Hay, 1995; McAnulla, 2002). Indeed, their entire characterisation of tradition and dilemma over-simplifies the extent to which actors are capable of simply re-imagining their inherited context (McAnulla, 2006).

Such a thesis indicates little appreciation for material-ideational relations which are better conceived of as based on complex dialectical and reciprocal relationships (Hall, 2011, p.68; Marsh, 2003, p.2). These criticisms are, of course, rooted in their respective ontological and epistemological points of departure.

2.2.3 - Unpicking BRs’ Claims that Critical Realists Reify Traditions

Throughout their thesis, BR argue that critical approaches ‘read off actions from allegedly objective social facts about institutions or people […] describing reified institutions with alleged path-dependency’ (BR, 2003, p.195). They claim that Marsh and the critical realist approach more broadly, privileges: ‘reified concepts and models’ because they want ‘a single uniform view of power in British government’ whereas BR ‘believe in pragmatic concepts and narratives’ which they argue offer ‘diverse, overlapping accounts of power and resistance at multiple sites’ (BR, 2008, p.731). Their claims that path-dependency, as set out by the critical realists, invariably promotes structure over agency is a straw man constructed by the conflation of path dependency with path determinacy; a point refuted by Marsh over the course of four articles (Marsh 2008a, 2008b, 2011; Marsh et al, 2014). He argues that critical realists
do not reify traditions (BR, 2008, p.730) but rather understand institutions and structures as constraining and facilitating, without determining the present (Marsh et al, 2014, p.341). Such a claim does not refute the importance of beliefs and ideas in the propagation and shaping of traditions, as BR suggest, but argues that change or continuity within them is not wholly explicable by recourse to the beliefs and ideas of individuals. A full account of the impact of traditions on British government, as McAnulla posits, requires the examination not just of the intentions, desires and beliefs of actors but ‘an appraisal of how the institutional context constrain[s] or enable[s] some intentions to be realised’ (McAnulla, 2006, p.1086). Structures and institutions retain an important role, especially in exploring what Goodwin and Grix call ‘underlying power relations’ (Goodwin and Grix, 2011, p.552) and should not be dismissed in the head long rush toward an interpretivist agenda. This particularly so when the aggregate concept of traditions nominated to replace them is so vague and seemingly arbitrarily selected.

2.2.4 - From the Interpretive to the Critical

Traditions are, therefore, both an ill-defined concept in BRs work and, in the specific UK context, unjustified. Causal links between beliefs and traditions, in their conceptualisation, are similarly vague: they exist but neither determine, constrict or facilitate and remain fluid as they are negotiated and transformed by responses to dilemmas. Traditions, BR suggest, can be defined ‘pragmatically depending on what [political scientists] want to explain’ and even if identified should only be considered influential ‘if their agency has not led them to change it’ (BR, 2008, p.730). It is questionable, therefore, to what extent traditions are useful as an aggregate concept for the decentred approach. This is especially apparent when they can be neither readily defined, their causality identified, nor their influence understood. I contend that BR’s notion of traditions does not really tell us about the processes of change (Smith, 2008, p.146) and is an inadequate substitute for conceptualisations already situated in the critical literature on political traditions (Goodwin and Grix, 2011, p.553).

BR’s interpretivist account has undoubtedly helped to reinvigorate interest in political traditions, however, and has opened up a fundamental challenge to the critical
The conception of tradition explored throughout this thesis, recognises a dominant BPT that underpins political processes and institutions with a conservative notion of responsibility and limited liberal conception of representation. It builds on the work of BR but crucially argues that the choices of actors are constrained through a path dependency that limits the veracity of change threatening the hegemony of the political elites. It also, however, acknowledges and attempts to build on the increasingly important need to explicate the range of competing narratives and the extent to which they are establishing themselves at the expense of the BPT. The next section looks in depth at the contribution of the critical scholars and, through the work of Hall in particular, how BR’s interpretivist approach was both negated and developed.

2.3 – The Critical Literature

This thesis draws primarily on critical wave conceptualisations of a dominant BPT informed by a ‘top-down view of democracy that asserts that government knows best’
(Marsh, Richards and Smith, 2001, p.180). Contra BR it asks whether a single all-encompassing tradition continues to underpin the institutions and processes of the British political system; exploring the extent to which it remains a powerful, though increasingly contested, influence on the practice of British government. The critical wave can be traced back to Marsh’s 1980 account of the BPT which saw the critical approach borne out of the first crisis of the state and the emergence of Thatcherism. Unlike the classical wave which advocates the ‘superiority and adaptability of Britain’s governing institutions’ (Diamond, 2014, p.31) the work of Tant (1989, 1993), Evans (1995) and Marsh (1980, 2003, 2007) exposes the elitism deeply embedded in the British political system. It concludes by exploring the contribution of Hall and his development of a critical concept of predominant and competing narratives operating in the UK through the concepts of structured inequality and asymmetrical resonance and their relation to the prevalence of the BPT.

2.3.1 - Tant

Tant’s (1993) work, which builds on the critical concept of democracy established by Marsh and Tant (1989), argues that elitist concepts of democracy underpin the processes and institutions operating in the British political system (Hall, 2011, p.32). He draws a critical distinction from classical approaches which legitimised elitist democracy as ‘naturally British’ (Hall, 2011, p.30); develops a historically located conceptualisation of the BPT that is both narrow and elitist (Tant, 1993, p.247) and argues for its self-perpetuation in the face of contrary, competing, traditions (Tant, 1993, p.247).

Tant begins by praising Birch, Beer and Greenleaf’s ‘valuable insights’ into the ways in which ideas about political representation and the roles of government impact on and shape the institutions and practices extant in the British system (Tant, 1993, p.5). Prior to this, he contends, texts on British government tended to be descriptive as opposed to analytical and entirely focussed on institutions at the expense of the role of ideas (Tant, 1993, p.5).

Despite the advances brought about by these classical writers, however, their views of political culture are characterised as ‘positive/ continuous’, barely questioning the ‘narrowness of the historical debate’ or the elitist nature of the prevailing democracy
Rather they see the perpetuation of the system as ‘straightforwardly favourable and perfectly natural’ (Tant, 1993, p.90). These debates on the nature of British government have focussed too heavily upon who should govern, and on what authority, as opposed to how government should be conducted and whether ‘it has the right to make decisions independently and on behalf of the people’ (Tant, 1993, p.89-90). Such accounts uncritically legitimise forms of elitist democracy and lead to the undervaluing of change over time (Hall, 2011, p.32). This concern with historical continuity neglects the theorisation of change which is ‘unsatisfactory when attempting to explain political developments’ (Hall, 2011, p.32).

Tant, alternatively, forwards the notion of a ‘narrow and limited elitist’ BPT (Tant, 1993, p.247) in which ‘power-hoarding’ displays of centralisation are enacted by the dominant culture through, and by, political elites (Tant, 1993, p.94). The domination of the centre further ‘ensures that a power-concentrating governing code is entrenched in the British political system’ (Diamond, 2011, p.34). Tant develops these ideas, raised by Marsh and Tant (1989), in an attempt to demonstrate how such an elitist concept underpins the institutions and processes of the British political system (Hall, 2011, p.32).

To this end he establishes the BPT’s potential to self-perpetuate and defend against challenges to its predominance (Tant, 1993, p.247). This is achieved through an ‘active inhibitive’ role for ‘political culture’ (Tant, 1993, p.89) which, through institutional bias, constrains the range of possibilities for challenge. The more substantial the potential divergence from the dominant tradition, he goes on to argue, ‘the less likely it is to be adopted or to be successful’ (Tant, 1993, p.91). An example given of this, the campaign for freedom of information and its limited impact, reveals how any such challenge to the BPT struggles to counter the dominant tradition. By focussing on these challenges Tant facilitates a discussion on the potential role for competing views of democracy and reveals the potential for ‘winners and losers’ in the BPT (Hall, 2011, p.32):

He encourages debate in the literature around the potential for conflict and change between traditions whilst remaining very much focussed on the role of continuity throughout his argument. He contends that the BPT has successfully contained radical threats to its supremacy.
Tant’s contribution has helped to shift the literature beyond uncritical accounts of British democracy toward a critical conceptualisation which argues for the dominance of a single political tradition deriving from a series of historically rooted practices and processes which reflect distinctly elitist notions of government.

2.3.2 - Evans

Evans builds on the critical concept advanced by Marsh and Tant (1989) and Tant (1993) to argue that Charter 88, as an embodiment of a more radical participatory tradition, was ultimately constrained by the elitist BPT. By tracing the campaign against the backdrop of the BPT he sets out to demonstrate that ‘its development and likely fate reflect the difficulty that participatory views of democracy have in confronting, let alone defeating, the dominant elitist view’ (Evans, 1995, p.3). For Evans, whilst the BPT limits the degree to which competing traditions are able to provoke change, change is both possible and necessary; the BPT ‘has to be overcome’ (Hall, 2011, p.33).

He advances conceptualisations of political traditions with a more sophisticated theorisation of continuity and change than that offered by Marsh and Tant (1989), underlining ‘the importance of agency, and the contingencies that arise through unintended consequences’ (Diamond, 2014, p.36; see also Hall, 2011, pp.34-5). He alludes in this way to a path dependent form of agency that emphasises the constraints imposed on actors by institutions and processes shaped by elitist forms of democracy embodied in the BPT (Evans, 1995, p.4). Crucially, Evans’ instils a greater role for the prospect of agency, arguing that ‘Charter 88 will only survive if it maintains the radicalism of its demands’ thereby implying that through its ‘struggle’ it is capable of ‘forg[ing] the breakthrough from how we are governed to how we may govern ourselves’ (Evans, 1995, p.270; see also Hall, 2011, p.33).

The emphasis placed on the presence of a ‘participatory tradition’ (Hall, 2011, p.35), whilst highlighting how competing narratives operate at odds with the BPT, is ultimately shown to have been overcome. The inertia brought about by ‘the institutions and processes of the British political system’ is ‘underpinned by an elitist conceptualisation of democracy which poses the major obstacles to the successful implementation of Charter 88’s demands’ (Evans, 1995, p.4). Evans identifies the
capability of competing narratives to challenge the predominant but concludes that, in
the case of Charter 88, this failed to materialise in any meaningful way (Evans, 1995).

2.3.3 - Marsh and the Dominant BPT

For Marsh, the dominant BPT derives from nineteenth-century notions of elitist political systems and institutions primarily concerned with the delivery of strong centralised, accountable, but not necessarily responsive, government (Marsh, 1980, p.1; Marsh et al 2001, p.180). This prioritisation of effectiveness and efficiency in turn leads to the executive dominance of the legislature which forms a central tenet of Marsh’s BPT (Hall, 2011, p.145).

In developing his conceptualisation of the BPT, Marsh critically draws on its classical wave (Marsh and Hall, 2015, p.2). He uses Birch’s (1964) framework of representation and responsibility, Beer’s (1965) concept of the BPT as a culture shared among both elites and the populace and Greenleaf’s (1983a, 1983b, 1987) conceptualisation of tradition as inscribed in the institutions and processes of government. In developing these approaches to the BPT he diverges from Birch and Beer’s characterisation of British politics as a continuous debate between theories of representation and responsibility (Marsh, 1980, p.3; 2003, p.4, 2007, p.223). He instead conceptualises a single predominant tradition, underpinning the British political system, based on ‘a limited liberal notion of representation and a conservative notion of responsibility’ (Marsh, 1980).

2.3.3.1 - The Beer, Birch and Greenleaf Influence

For Marsh, Birch’s framework of representation and responsibility is central to any analysis of the British political system. Representation and responsibility have become the dominant framework for authors in the critical wave, with Marsh arguing that these two concepts form ‘the core of any discussion about democracy’ (Marsh and Hall, 2007, p.220).

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Marsh adopts Birch’s classificatory schema to explore debates on power, centralisation and the development of British democracy in the late eighteenth and early nineteenth centuries. He argues that the ‘feudal/organic’ view of the Tories and the ‘unreformed Parliament’ preferences of the Whigs were reconciled with a shared understanding of Parliament/Executive relations (Marsh, 2003, p.3). This led in turn to their mutual defence of an unreformed Commons against calls for an extension of the franchise and the embedding of the centralisation of power. As Richards et al (2014, p.10) put it: ‘the UKs representative model of government is still organised on the basis of [these] 19th Century precepts’ with ‘the notion of democracy, the executive, voting and representation that exists in the UK [being]19th Century constructs.’

Notions of representation remained limited throughout this time with even the Liberals arguing against delegatory forms of representation (Birch, 1964, p.33). Marsh identifies a contradiction here in liberalism’s acceptance of Whig parliamentarianism which he argues reveals two key points about the BPT. The first is that representation is based on a narrow elitism that emphasises deliberation ‘by the few’ in the national interest. The second: that the liberal conception of the ideal representative is the ‘independent rational man [sic]’ (Marsh and Tant, 1989, p.4). Both of which contradict the ‘participatory notion’ that representatives should be bound by electoral programmes and ‘popular accountability’ (Marsh and Tant, 1989, p.4). This view is extended by the liberals to the conduct of government which is ‘good’ when strong and decisive and ‘weak’ when responsive (Marsh and Tant, 1989, p.4) thereby reinforcing both the limited liberal conception of representation and the conservative notion of responsibility.

For Marsh then the stress has consistently been upon strong, centralised and efficient government (Marsh and Hall, 2007, p.222). Whilst he agrees with Birch’s prioritisation of consistency above accountability and responsiveness, within the framework, he seeks to characterise it somewhat differently. He argues that the stress in the British system is on ‘strong […] rather than responsive government’ and ‘elite, or leadership, democracy, rather than participatory democracy’ (Marsh, 2003, p.4). Such a Conservative notion of responsibility (Marsh, 2003) has, in turn, created strong
governing institutions with clear responsibility for policy and process (McManamon, 2012).

To Birch’s framework of representation and responsibility, Marsh adds Beer’s (1965) conception of the BPT as a ‘political culture’ spread throughout society as a ‘body of beliefs’ held by the elite and public alike (Marsh and Hall, 2007, p.221). This shared understanding manifests itself among the populace as a ‘widespread […] faith’ in the British political system which, Marsh posits, could be propagated by the belief that ‘it produced better government’ (Marsh and Hall, 2015, p.12). Crucially, as Hall argues, this opens up an important consideration of how the BPT has permeated the populace and been reinforced over time (Hall, 2009, p.24). Marsh and Hall admit that further research is required to assess the extent to which such ideas have actually permeated the elite and populace (Marsh and Hall, 2007, p.221), a point that Hall (2011) develops further.

Finally, Marsh draws from Greenleaf’s presentation of the BPT to outline the ways in which traditions are inscribed in the institutions and processes of the British government. This, Marsh argues, contributes to an explanation of the continued dominance of the BPT over time (Greenleaf, 1987; Marsh and Hall, 2007; Hall, 2011, p.123). Although, whilst the primacy of ideas over institutions is alluded to by Greenleaf, he fails to fully acknowledge the significance of the conservative notion of responsibility and its promulgation of hierarchy.

For Marsh, however, references to the influence of the BPT should not be taken to mean that it necessarily represents an ‘accurate’ portrayal of the British political system (Marsh et al, 2001). Rather, it helps to form the views held by elite actors and the populace which in turn influences their actions and choices and legitimises their elite power and authority and, as a result, ‘how the political system works’ (Richards and Smith, 2002, p.283).

Marsh’s concern with a single, dominant BPT, thus developed from the works of Birch, Beer and Greenleaf, argues for a meta-narrative of British politics that underpins the institutions and processes of the political system (Marsh, 2003). His approach emphasises ‘the top-down power-concentrating model of British democracy’
(Diamond, 2014, p.33) where the BPT is not characterised by a continuous debate amongst various theories, synonymous with the classical wave, but a single predominant tradition underpinned by a conservative view of responsibility and limited liberal view of representation (Marsh, 1980, p.3). This addresses previous uncritical favouring of the Westminster model and claims that notions of the strong, centralised British political system are underpinned by the BPT.

2.3.3.2 - Continuity and Change

By underpinning the institutions and processes of British politics the BPT effectively shapes the context in which debates on reform to those systems occur (Marsh, 2003, p.5). Ideas are capable of provoking change within the system, but any such effect is path dependent on the institutional constraints within which they operate. Marsh’s critical realist view is that the relationship between institutions and ideas is ‘interactive and iterative’ or ‘dialectical’ (Marsh, 2003, p.1). Ideas necessarily have a role to play in shaping institutions, but they are not the ‘key explanatory variable’ (Marsh, 2003, p.1) with ‘political realities’ being capable of undermining their power (Marsh, 2003, p.13). The BPT therefore shapes the context in which prospective constitutional reform occurs and through which any ideational challenge to it must be mediated. It maintains the privilege and dominance of the political elites by reinforcing, within key institutions, the notion that government and the core executive ‘know best.’ (Marsh et al, 2001, p.247).

Marsh’s conception of a single, dominant, unrivalled, BPT is a hallmark of his account of political traditions. Despite his earlier privileging of continuity over change, and in more recent years (in collaboration with Hall 2006, 2007, 2014, 2015), he has been prepared to admit a greater appreciation for the possibility of rival narratives of the BPT successfully challenging, or even ameliorating, the dominant.

2.3.4 – Hall: Contested Traditions and the Theorisation of Change

Hall’s view of political traditions consciously builds on the insights of critical realism and in particular the work of Marsh, to suggest that the relationship between ‘structure and agency; continuity and change; the material and the ideational; and institutions
and ideas’ should be conceived of as dialectical (Hall, 2011, P.83; Marsh and Hall, 2006).

His Political Traditions and UK Politics (2011) offers one of the most recent substantial contributions to debates on the nature and explanatory power of the BPT. Hall sets out to develop a critical concept of predominant and competing traditions operating in the UK. Through this he argues that elitist conceptions of democracy emanate from ideas founded in the historic structured inequality and ideas of British society (Hall, 2011, p.4). Whilst sharing his point of departure with Marsh and the advocates of a dominant BPT he makes a distinct contribution to its conception. He offers a concept of change and continuity that theorises the role of competing narratives as ‘asymmetrical[ly] resona[ting]’ against the dominant (Hall, 2011, p.118).

2.3.4.1- Theorising the Relationship Between the Ideational and Material

Hall argues that existing work on the BPT has taken its theoretical base for granted with those advocating it ‘never fully explain[ing] the relationship between ideas and institutions’ (Hall, 2011, p.43). Although he admits the critical perspective offers a greater consideration than its classical predecessor the theorisation of the relationship between the ideational and the material requires still greater consideration in order to better understand how traditions shape institutions and ideas in British politics (McManamon, 2012, p.63).

To this end Hall argues for a narrative of the BPT based on an understanding of the dialectical relationship between the ideational and the material. He builds on the work of Tant (1993) to argue that ‘the BPT is both a product of and reinforcing to the structured inequality to be found in British society historically’ (Hall, 2009, p.111). Structures and traditions, therefore, constrain but do not determine outcomes. This iterative and interactive relationship, crucially, grants space for agency whilst recognising the path-dependency created by structures and dominant ideas (Hall, 2011, p.44).

As well as pressing for a better theorisation of the BPT, Hall argues that the dominant tradition has always been subject to contest and influence by rival contemporary
narratives. He draws explicit inspiration from BR, arguing that their biggest contribution to the literature could be found in the contention that ‘multiple traditions [are] at work’ in the UK, undergoing ‘continual contestation’ which, in turn, granted a focus on change neglected by earlier conceptions of the BPT (Hall, 2011, p.83). The participatory tradition is cited here as a challenger which has existed parallel, but at the same time subservient to, the BPT (Hall, 2011), in a continual ‘historically-rooted process of ideational conflict’ (McManamon, 2012, p.61). To this end Hall states that ‘we need to recognise both the resonance of certain ideas and the way in which they are influenced by other ideas […] having to adapt to remain dominant’ (Hall, 2011, pp.41-2). If the effects of the success and failure of competing traditions on the predominant BPT are ignored, we risk privileging continuity at the expense of change and fall into the same trap as BR.

2.3.4.2 - Competing Traditions

So, in progressing his work with Marsh (2007), Hall argues that to develop heuristic value we need to move beyond the idea that there is a single political tradition, recognising instead the presence of competing traditions and explaining their asymmetrical resonance over time. (Hall, 2011, p.118; Hall, Marsh and Vines, 2018).

Marsh’s privileging of a single, dominant BPT is undoubtedly a hallmark of critical accounts in the literature but his position on the saliency of competing narratives has subsequently progressed. Whilst his approach has always allowed for the prospect of challenge from alternative conceptions (Marsh, 1980, p.8; Marsh, 2003, p.6) he was concerned to stress that they had ‘not been successful’ (Marsh, 1980, p.8). He characteristically argued that such challenges were quelled as a result of ‘the institutions and practices of British government’ (Marsh, 1980, p.8).

Through his collaborative work with Hall (2007, 2015) Marsh offers a greater appreciation for change as well as continuity in the BPT. He argues that ‘the dominant tradition may be increasingly challenged by a competing tradition’ (Marsh and Hall, 2007, p.226) which is both historically embedded and ‘increas[ing] over the recent period’ (Marsh and Hall, 2015, p.14).
This is not to argue that ‘a predominant idea of democracy and political practice’ does not continue to retain its centrality in Marsh’s theory (Marsh and Hall, 2015, p.14) but that a much greater appreciation for competing narratives has been identified. The success of these competitor traditions in ameliorating the predominant and ‘informing change’ rests with the extent to which they provide a ‘best fit’ with the existing dominant tradition as opposed to offering ‘radical alternatives’ (Marsh and Hall, 2007, p.227). As such any change is gradual, interactive and iterative and always subservient to the exigencies of the BPT.

For Hall then, political traditions asymmetrically resonate (Hall, 2009, p.115); dominant and competing political traditions do not remain static. They evolve in relation to changes shaped by the ‘prevailing ideational and discursive context’ which ‘generally privileges pre-existing ideas and discourses’ (Hall, 2011, p.125). Whilst competing traditions can change the predominant over time any amendment has to form within the context of those institutions already underpinned by the dominant BPT. Rival traditions are therefore already constrained by the path dependency informed by the predominant (Marsh and Hall, 2015, p.14). Whilst he acknowledges the potential for such change, in his own research he does not go on to identify any fundamental alteration to the ‘underlying inequalities and asymmetrical power relations found in the UK society’ (Hall, 2011, p.11).

When considering what BREXIT, anti-politics and the Scottish question, said about the continuity of the BPT he argued that:

Despite moments of significant challenge from competing participatory and nationalist political traditions, historically the BPT, and its adherents have resisted demands for substantive challenge […] we do not see change as the inevitable outcome of ideational contestation. Rather, such challenges can, and do, also result in continuities’ (Hall, Marsh and Vines, 2018, p.378).

Hall, Marsh and Vines argue that whilst we should be sensitive to the possibility of ideational challenges to the BPT they have not seen any evidence to suggest that, where these challenges exist, any significant change has come about.
When considering SE as a movement of social business activists looking to generate a sustainable impact on social problems, and especially given that successive Governments have overtly stated their intentions to devolve autonomy over service delivery to the sector, it seems that SE is exceptionally well placed to prove a challenge to the BPT; this thesis seeks to reveal whether or not this was the case.

Hall’s contribution to the literature on the BPT makes a clear attempt to improve the existing critical conceptualisations of political traditions in the UK. He builds on those concepts found in the earlier works of Tant, Evans and Marsh to argue that elitist conceptions of democracy emanate from ideas founded in the historic structured inequality and ideas of British society (Hall, 2011, p.4). He achieves this by offering a concept of change and continuity that better theorises the role of competing traditions as having asymmetrical resonance against the dominant (Hall, 2011, p.118). But as Hall recognises, his theorisation of change and continuity through competing narratives of tradition is under-developed and suffers from limited exposure to empirical research. This thesis seeks to build on the critical wave thus embodied, to ask if, in the case of SE, a genuine challenge to the dominant BPT can be identified?

2.4 - Conclusion

This chapter has assessed the strengths and weaknesses of various competing conceptualisations of political traditions in the classical, critical interpretivist and critical realist waves of the BPT literature. It contributes to a thesis which adopts political traditions as a central explanatory approach in order to assess the extent to which SE has represented a change in the delivery of public goods over time. The BPT is employed to this effect in order to better understand how a dominant tradition may have informed, or constrained, the ways in which successive governments approached SE and shaped its role in service delivery. It also considers if the emergence of SE may have led to a challenge or change to the dominant tradition.

This chapter sought to critique the three waves to identify their strengths and weaknesses from which to develop a theorisation of the BPT and the ways in which it impacts on the intuitions and processes of the British polity. It argued that the classical wave – typified by authors such as Birch (1964), Beer (1965) and Greenleaf (1983a, 1983b, 1987) - is principally grouped around ideas of representation and
responsibility. The account of the British political system it advances describes certain traditions and values as desirable and, in this sense, it is shown to be normatively committed to ideas of what makes good government. Despite this, it does improve on previous, uncritical conceptions of the Westminster model.

The interpretivist traditions of BR are shown to advance an agency-centred conception of change in the British political system. Traditions, for them, are based on understandings received during socialisation. Whilst such a conception allows for a greater appreciation of the possibility of challenge to such traditions (compared to the classical wave) it does risk limiting the capacity of traditions so as not to reify them (BR, 2008, p.731). Ultimately the debates that run between the interpretivist and critical waves are informed by their contrasting epistemologies.

The chapter concludes by characterising the critical wave as a single meta-tradition (based on a limited liberal conception of representation and conservative notions of responsibility) which informs the way the institutions and processes of the British political system operate. Debates within the critical literature now focus on the extent to which this dominant tradition has been subject to challenge. Hall (2011) is shown to have developed a concept of the potential for competing narratives to arise which may in turn challenge the BPT. This thesis considers the potential of such competing traditions, through its embedded case study of SE, by exploring whether a genuine challenge to the dominance of the BPT has occurred.

Having reviewed the BPT literature the next chapter looks at the governance and public policy literatures. These similarly take the location of power seriously and help to inform the conceptual framework essential to understanding if SE posed a challenge to the dominance of the core executive and, if not, why this may have been the case.
Chapter Three – Governance and Policy Networks

3.0 – Introduction

The study of governance sets out to draw analytical attention to the increasingly complex interrelations between state and society in modern political systems (Flinders, 2002, p.52). Until the mid-1970s, the ability of the state to command and control society through the use of its centralised bureaucracies was relatively unquestioned. Power was concentrated in Whitehall which was accepted as the ‘appropriate, legitimate and unchallenged vehicle for social change.’ (Pierre and Peters, 2000, p.2). These concepts were embodied in the dominant Westminster model and its perspective of strong, centralised and accountable government.

The ‘monopoly on political power’ enjoyed by the centre, however, was contested in the decades that followed as the relationships between society and the state were increasingly called into question (Richards and Smith, 2002, p.13). Focus turned to the veracity of Britain’s depiction as a strong, centralised and unitary state (Richards and Smith, 2002, p.13).

This chapter explores the key debates on governance, and the nature of state transformation, which have taken place in this literature over the past four decades. It does so to better understand the development of the role of SE in the delivery of public services, under both New Labour’s Third Way and the 2010-2015 Coalition Government’s Big Society agenda.

The concept of governance offers a crucial framework for this research precisely because it prompts a consideration of the multitude of actors and locations in which policy making now takes place. It re-focusses our attention beyond the core executive, towards a range of actors involved in the policy process and encourages us to think about how these relations can affect outcomes. In the case of SE, it leads us to analyse the relationships between a range of actors, organisations and networks whose relations with the core executive may have impacted on the policy process. It prompts a number of questions surrounding the extent to which these networks exist in the sphere of SE policy, how influential they have been and whether they have exerted
influence over the direction of SE related policy in the UK. In so doing they help to answer a primary research question of this thesis: how may we understand the nature of the network relationships involving SE?

The first section of this chapter begins by analysing a variety of approaches to governance within the literature ranging from society-centric to state-centric accounts. The first of these is said to have captured the rise of autonomous policy networks and identifies a supposed shift from a highly centralised and homogenous state to a more fragmented and decentralised one. State-centric accounts, emerging in response to these assertions, argue instead that state capacity has actually been reasserted through meta-governance and more indirect methods of control over non-state actors in the policy making process.

The second section looks in more detail at the emergence of network governance and the role of policy networks in the UK. The majority of the network governance literature agrees that policy networks play an important role in modern democratic systems of government. It promotes a focus on the links between interest groups and executive departments in the policy making process. The literature is shown, however, to diverge when it comes to how useful the concept is at explaining policy outcomes and the wider importance of the proliferation of networks in policy making.

3.1 - Understanding Governance

The ‘monopoly on political power’ enjoyed by the centre has been increasingly contested during the last four decades (Richards and Smith, 2002, p.13). Britain’s depiction as a strong, centralised and unitary state has been challenged by those who propose the rise of a much more eclectic mix of states, markets and networks in the formulation and delivery of public goods.

Governance offers a broader perspective which focuses our attention on the changing nature of the state over the past forty years. It is principally concerned with transitions away from monolithic, highly centralised and unitary government. It sensitises us instead to the ‘variety of terrains and actors involved in the making of public policy’ and directs attention to the role of actors other than the core executive in the policy
process (Richards and Smith, 2002, p.15). It reflects and explores the changing conditions of contemporary states and societies rather than merely reflecting ‘a fad among social scientists’ (Pierre and Peters, 2000, p.51).

Though precise definitions of governance are contested most contemporary accounts focus to some degree on the role of actors, organisations and networks outside of central government (Kjaer, 2004, p.3). They explore the range of ‘diverse activities that often blur the boundary of state and society’ (Bevir, 2011) and focus on ‘new’ forms of government resulting from the increased fragmentation of the ‘traditional, centralised state apparatus’ (Richards and Smith, 2002, p.16) taking place in the UK since the mid-1970s.

Governance is described by Pierre and Peters (2000) as coming to prominence through three post-war phases of political development. The first saw Western European states (and later the USA) playing an enhanced role in government through ‘regulation, economic redistribution and […] an expansion of the political sphere of society’ post Second World War (Pierre and Peters, 2000, p.2).

The second was illustrated by the rolling back of the state under the Thatcher and Reagan administrations of the 1980s. Reforms enacted during this period were said to have reversed the growth of government through the promotion of privatisation, tax and spending cuts, deregulation, ‘radical institutional and administrative reforms’ and the rise of NPM (Kjaer, 2004, p.4; Bowman, 2015). These changes led the public administration and policy literatures of the 1980s to scrutinise the nature of state-service delivery through a focus on the concept of governance. (Levi-Faur, 2012).

Developing from this, the third and final phase is described as marking the emergence of a ‘partially new model of government’ which draws on ideas of a ‘coordinating role’ for the state in a society ‘prone to follow market ideals’ (Pierre and Peters, 2000, pp.2-3). It is this final phase that the governance perspective seeks to better understand, drawing on ideas of what the role of government in such a society is and should be. The resulting fragmentation it highlights has led to a focus on the emerging relations between states, networks and markets in policy formulation and service delivery. Through the governance perspective public administration and policy
scholars were attempting to ‘come to grips with the new empirical phenomena’ and better ‘capture what was happening’ (Chhotray and Stoker, 2009, p.2).

Responding to the Thatcher government’s public service reforms, in the specific context of the UK, Rhodes’ Anglo-governance approach offered the most prolific challenge to the dominance of the Westminster model (Marinetto, 2003). It provided an alternative through which analyses of British politics could be organised by concentrating on an increasingly diverse polity where the success of service delivery relies on a mixture of public and private provision through markets, networks and the state (Flinders, 2002, p.52). Crucially, the Anglo-governance approach sought to offer a more nuanced understanding of power that went beyond the hermetically sealed view of the Westminster model and offered a more fluid inter-dependent view of (relational) power. It prompted a focus on the fragmentation of the British polity which it argues confounded the core executive’s ability to centralise power and coordination. Whitehall departments, it was argued, were no longer the ‘fulcrum’ of networks (Rhodes, 2012).

Governance continues to be an elusive and contentious theoretical concept (Diamond, 2014, p.94; Kohler-Koch and Rittberger 2006, p.28). Despite this it is possible to differentiate accounts on the basis of the role they ascribe to central government in the design and implementation of public policy. To this end two distinct, yet interrelated, waves have emerged which argue for: society-centric and state-centric accounts of governance.

This section sets out to explore these debates within the governance literature in order to consider the broader questions of state transformation over time, and in particular the changing role of civil society organisations in the delivery of public goods. In so doing it contributes to a conceptual framework which can be used to analyse the role of SE in the delivery of public services, under New Labour’s Third Way and the Coalition’s Big Society.

3 The Anglo-governance approach refers to the concept of fragmentation and decentralisation occurring in the British political system from the late 1970s.
3.1.1 - The First Wave: Society-Centric Governance

Society-centric, or ‘first wave’ (Matthews, 2013), governance narratives first arose in the 1980s in response to the breakdown of the ‘hierarchic bureaucracy’ of the Keynesian welfare state (BR, 2011, p.204) and the rolling out of NPM policies under the Thatcher Government. These sought to capture the shift to a more fragmented and decentralised state and the rise of more autonomous policy networks. Society-centric accounts of governance, and specifically Rhodes’ Differentiated Polity model (DPM), advance a definition which argues that dynamic exchanges of power occur within these self-organising and inter-organisational policy networks ‘characterised by interdependence, resource exchange, rules of the game and significant autonomy from the state’ (Rhodes, 1997, p.15). These networks are said to have superseded the ability of states to steer and produce policy outcomes via hierarchic methods associated with the formerly dominant Westminster model (See Rhodes, 1997, p.59).

By the 1990s, the term governance had entered popular usage in the political sciences and acquired multiple meanings (Rhodes, 1996, p.654). Rhodes identified six individual uses of the term which understood governance to refer to: the minimal state, corporate governance, the NPM, good governance, socio-cybernetic systems and self-organising networks (see Rhodes, 1996 for more). He argues that ‘governance has too many meanings to be useful’ and could only be saved by ‘stipulating one meaning and showing how it contributes to the analysis of change’ (Rhodes, 1996, p.660). This definition sees governance as referring to ‘self-organised, interorganisational networks’. The definition he proposes takes four elements of the earlier uses to create the ‘shared characteristics of governance’ these are: interdependence between organisations within a network, continuous interaction, negotiation and resource exchange between network members, ‘game-like’ interactions and a considerable amount of autonomy from the state (Rhodes, 1996, p.660).

Rhodes, while being one of the leading advocates of first wave governance, was not working in isolation. Authors such as Smith (1998), Jessop (1995), Peters (1993) and Weller et al (1997) were all considering the possibility of an erosion of power from the core executive and the idea of a hollowed-out, fragmented polity. Smith (1998, p.60) asserts that the core executive has been ‘weakened by reforms which make it
increasingly unlikely that there is a co-ordinating centre strong enough to pull together the range of bodies that may be involved in the delivery of services’. Peters (1993, p.56) also adopts the hollowing out of the state to help explain a loss of legitimacy and autonomy in the core executive (see also Marinetto, 2003).

These explicit challenges to the Westminster model culminated in the most significant contribution to first wave governance; Rhodes’s DPM which offered its own organising perspective of the British polity.

3.1.1.1 – The Differentiated Polity Model

Rhodes’ DPM represents a paradigm shift away from concepts of the unitary state, parliamentary sovereignty and strong centralised cabinet government (Rhodes and Weller 2005). It was described at the time as ‘the most developed extant model of British politics to date’ (Marsh, Richards, Smith, 2003, p.307). It adopted the four key concepts of the hollowing out of the state (an original contribution from Rhodes), policy networks, governance and the core executive (Rhodes, 1997) organised around the notion of the emergence of a new era of ‘governance without government’ (Rosenau and Czempiel, 1992).

The first of these, the hollowed-out state thesis, is a mainstay of Rhodes’ contribution to the governance literature. It argues that a ‘loss of functions’ has taken place in British government both upwards to the European Union, downwards to ‘special purpose bodies’ and outwards to agencies (Rhodes, 1997, p.17). This, he posits, neatly captures the changes taking place ranging from the rise of NPM and the fragmentation of sovereignty to supra and sub-national bodies to the increased prevalence of privatisation, agencification and autonomous policy networks (Rhodes, 1997, pp.53-4; Rhodes, 1994, pp.138-9).

For the DPM policy networks, themselves long-standing features of British government, offer distinctive coordination separate to hierarchies and markets and built on trust. Rhodes distinguishes between five types of policy network which range from tightly integrated policy communities to loosely-integrated interest networks that command varying degrees of access to and influence over government (See Rhodes,
1997, p.9; Rhodes, 1986). These networks are seen to proliferate in the face of fragmentation caused by marketization reforms and see direct controls superseded by indirect ones. Governments and central departments are said to have been replaced as the fulcrum of policy networks as fragmentation confounds central coordination (BR, 2011, p.205).

Network governance, or governing with and through networks (Rhodes, 2007, p.1246), characterises an enabling state which no longer embodies the hierarchic Westminster model but the heterarchy of a fragmented polity which it is now destined to steer but not row, or to direct without necessarily delivering services itself (Osbourne and Gaebler, 1992). It blurs the boundaries between public, private and voluntary actors to argue that shared purpose promotes continuing interaction and negotiation between self-regulating network members. Such a focus on networks whose members possess a ‘significant degree of autonomy’ from the state (Rhodes, 1997, p.53) further enables a focus on the mechanisms, adopted by governments which do not rely on ‘the authority and sanctions of government’ (Stoker, 1998, p.17) to manage these entities.

The DPM proposed that ‘fragmentation, diminished accountability [and] erosion of central capability’ which now characterised the British political system (Rhodes, 1994, p.151). It led to various claims that the state is no longer the sovereign authority (Jessop, 2004, p.71), that it has ‘[lost] its grip and [is] being replaced by new ideas about pluricentric government’ (Sorensen and Torfing, 2008, p.3) and that it established markets as the masters of states (Strange, 1996, p.4). The subsequent thesis of the hollowed-out state which emerges from Rhodes’ (1997) policy network concept, forms a key area of contention between society and state-centric accounts of governance.

For first wave theorists, governance meant the proliferation of multiple centres of power and the demise of the sovereignty of governments. The distinction between public, private and voluntary sectors ‘becomes meaningless’ as networks gain ‘significant autonomy’ (Rhodes, 1997, p.109). This thesis of the hollowed-out state generated significant critical challenges; most notably the Asymmetric Power Model (APM) and the state-centric relational accounts.
These state-centric, or ‘second wave’ (Matthews, 2013) theories emerged in response to society-centric accounts of governance proposing instead that an adaptation, rather than diminution, of government power has occurred. They argued that the hierarchical and resource dominance of the government over other actors within networks remained of crucial importance. Where change does occur, it is sanctioned by the state which remains ‘more powerful than is often assumed’ (Pierre and Peters, 2000, p.72); second wave governance put structure and the state back at the heart of analyses of British politics.

3.1.2 - The Second Wave: State-Centric Governance

At the broadest level, where first wave accounts signal the hollowing out of the state the second wave depicts a ‘filling in’ (Taylor, 2000) arguing that capacity has been reasserted through meta-governance and ‘indirect instruments of control’ (BR, 2011, p.206). These state-centric accounts are presented in two distinct but complementary forms which both essentially concern relational power. The first, founded in the APM (Marsh, Richards and Smith, 2001), emphasises the resource advantages of governments over other members of policy networks to retain their primacy. The second, building on this argument, posits that governments not only retained a principal role within networks but that governance through hierarchy remains ‘alive and well’ (Bell and Hindmoor, 2009, p.10) utilising third party actors to extend their capacity and sovereignty.

3.1.2.1 - The Asymmetric Power Model

Marsh, Richards and Smith led the state-centric critique of the DPM, adapting it in the face of their own research, to account for what they term ‘structured inequalities’ extant within the BPT (Marsh, Richards and Smith, 2003, p.307). The model amends the DPM and adapts, develops and critiques the hollowed out thesis by attempting to reflect a state that has sustained high levels of centralized power whilst operating within and across an increasingly fragmented polity; implicitly accepting the characteristics of network governance set out in the DPM (BR, 2011, p.207). It argues that first wave accounts over-emphasise the prevalence of political resource exchange
among members of policy networks and fail to sufficiently account for asymmetries of power that exist between the state and other non-core-executive actors within policy networks (Marsh, Richards and Smith, 2003, p.309). Crucially for them, the key policy makers, in the UK context, continue to reside within the core executive (Marsh, Richards and Smith, 2003, p.315).

THE APM’s characteristics are defined as structured inequality, the identification of a single dominant BPT, asymmetries of power within central/ non-executive relations, exchange relations between network actors, the continuance of a strong executive and limited exogenous restrictions on core executive autonomy (for more see Richards and Smith, 2002, p.282 and Marsh, Richards and Smith, 2003, p.246-50). They argue that structured inequalities disrupt the playing field in British politics and leave non-core actors power and resource disadvantaged (Marsh, Richards and Smith, 2003, p.311).

Concerns about the extent to which states have been superseded by autonomous policy networks are echoed by Holliday and Taylor who both argue that the core executive utilises resource asymmetries to coordinate (Holliday, 2000, p.175) and determine the operational parameters of governance relations. Furthermore, they impose their values on complex networks (Taylor, 2000, p.51) and determine their memberships (Marsh, Richards and Smith, 2003, p.320). The APM rejects the premise of the hollowed out state, arguing instead that the complexities arising from a fragmented polity offer an opportunity to maintain and extend the reach of central governments by utilising their resource advantages over other actors within the policy making process (Marsh, Richards and Smith, 2001, p.250).

The extent to which governments retained their centrality in this process is further advocated by the state-centric relational perspective which argues for the continued prevalence of governance through hierarchy.

3.1.2.2 – The State-Centric Relational Approach and the Persistence of Hierarchy

The state-centric relational approach built on the APM and went further in its challenge to the heterarchy advocated by the first wave by arguing that not only did states retain a primary role within networks but that governance through hierarchy remained ‘alive and well’ (Bell and Hindmoor, 2009, p.10). They proposed that even
where governments ‘choose’ to govern through non-hierarchical means they retain a crucial oversight and responsibility for meta-governance or the ‘government of governance’ (Bell and Hindmoor, 2009, p.11).

The state-centric relational perspective invariably describes governments as reasserting their interests through a multiplicity of steering processes or creating a shadow under which policy networks operate (Levi-Faur and Gilad, 2004, p.114; Heritier and Lehmkuhl, 2008). These modes are set out as: hierarchy, persuasion, markets, community engagement and associations. (Bell and Hindmoor, 2009, pp.16-18). They argue that states decide when and how to utilize governance modes (Bell and Hindmoor, 2009, p.13; Walters, 2004, p.41) and harness governance to expand capacity by simultaneously buttressing their institutional competences and forging better relations with non-state actors (Goetz, 2008, p.263; Bell and Hindmoor, 2009, p. xiii).

By arguing for the continued prevalence of hierarchy, Bell and Hindmoor propose that government/non-state actor relations are still defined by domination and subordination (Bell, Hindmoor and Mols, 2010, p.853) with command and control remaining the principal mode of governance exercised in democratic states (Robichau, 2011, p.123). Lynn takes this further in his 2011 defence of the persistence of hierarchy by proposing that society-centric accounts of governance are founded on a weak evidence base that ‘does not […] sustain an argument that the role of the state in democratic governance is diminishing in importance’ (Lynn, 2011, p.230). He adds that such a move would require a change in the role of extant representative institutions which ‘does not yet appear to be even remotely in prospect in mature democracies’ (Lynn, 2011, p.233). Indeed, where other modes of governance have emerged they have been layered on top of existing hierarchical structures, in a form of nested governance, precisely because ‘hierarchy is still the formal model upon which representative democracy is built’ (Kjaer, 2004, pp.43-4, see also Richards and Smith, 2004). Government through hierarchy, therefore, has been supplemented, though not supplanted, by the rise in prominence of other modes of governance (Bell, Hindmoor and Mols, 2010, p.859).

More recently, a third, decentred, wave within the governance literature has emerged which has renewed debate between the society and state-centric accounts. Whilst it
presents itself as a distinct wave, it remains under-conceptualised and may be better understood as a rejoinder to the existing debate. The following section sets out the core tenets of the decentred approach whilst questioning: i) if it adds anything new to the first and second waves and; ii) the adequacy of the framework it offers compared to that of the state-centric accounts.

3.1.3 - Decentred Governance: a Third Wave?

BRs’ decentred approach purports to represent an ontological and epistemological departure from the first and second waves; marking a post-foundational shift to the stateless state (BR, 2011). It draws on interpretivism, by decentring the state and arguing that the actions of individuals are not determined by institutional logics of modernisation but are contingent on beliefs formed against backgrounds of traditions and subject to dilemmas or as BR call it, ‘situated agency’ (BR, 2006, p.11).

BR’s decentred approach ‘pronounce[s] the death of the Anglo-governance school, of meta-governance, and of the state’ (BR, 2011, p.204). It claims to have replaced it with a focus on those traditions (namely Tory, Liberal, Whig and Socialism in the UK context) which, they believe facilitate, constrain and crucially are transformed by actors’ responses to dilemmas (BR, 2002, p.18; see Chapter Two for a detailed discussion). To decentre, in this way, is to draw attention to the ‘social construction’ of a process by focussing on how an individual can ‘create, and act on meanings’; it is to ‘unpack a practice into the disparate and contingent beliefs and actions of individuals’ (BR, 2011, p.204; see also BR, 2003, pp.62-79). In its most succinct form the decentred approach, like the first wave before it, argues that the notion of a monolithic state capable of controlling itself or civil society is a myth. It argues that diverse practices escape the control of the centre precisely because they arise from the contingent beliefs and actions of individual actors at the boundary of state and civil society (BR, 2011, p.213).

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4 BR use the term Anglo-governance school as shorthand for society-centric, or ‘first-wave’, accounts of governance which they argue are primarily concerned with the rise of powerful, autonomous, policy networks (BR, 2011, p.205).
This privileging of the beliefs and meanings of individual actors within political institutions repeats a flaw of earlier analyses of British politics, identified by Marsh, Richards and Smith, which saw the role of agents over-emphasised at the expense of structure (Marsh, Richards and Smith, 2001, p.250). In critiquing this privileging of agency over structure (or vice versa) Marsh, Richards and Smith propose instead a relationship between the two which is iterative and interactive, or dialectical. The APM allows space for the importance of the actions of individuals whilst placing them within a structural, shaping, context (Marsh, Richards and Smith, 2001, p.243). These structures, so conceived, do not ‘mechanically constrain or enable’ actors but provide a contextual backdrop which can be both interpreted and challenged by key agents.

In contrast, the decentred approach is criticised for unnecessarily privileging agency and setting it at odds with structures and institutions. It is this essential contest between either beliefs and traditions or institutions and structures that is criticised for being unnecessarily restrictive at both a conceptual, methodological and empirical level. It is through their engagement with this debate that BR are seen as forging a specious argument; negating path dependency and conflating it with path-determinacy (Marsh, 2011; Marsh, Hall and Fawcett, 2014).

3.1.3.1 - The False Dichotomy of Beliefs and Structures

For BR decentred governance prompts us to adopt an actor-centred, bottom up approach; we must explain governance using narratives to point to beliefs, sometimes termed desires, that cause the actions of interest in the social sciences (BR, 2011, p.210). Without this, they argue, all we have is unexplained typologies, correlations and models (BR, 2006, p.20). By rejecting the material reality of the state, studying it becomes less about formal theories and more about telling stories about actors’ meanings or ‘narratives of their narratives’ (BR, 2011, p.13).

Such a focus on the beliefs of actors is a useful addition to the governance literature and addresses a lacuna in the first wave which is dominated by its focus on structures

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5 Marsh, Richards and Smith (2001, p.12) describe the relationship between ‘structure/institution’, ‘ideas/culture’ and agency as dialectical. They argue that whilst structure and ideas act as constraints on the ability of agents to act these same agents are capable of interpreting and changing the structure and culture in which they operate; their relationship is interactive, or dialectical.
and institutions and their relations to policy networks (Grix, 2010, p.161). BRs’ decentred governance, however, negates the role of institutions and denies them causal power. They may accept that there is a ‘real world out there’ (BR, 2008, p.729) but it is unclear to what extent this is limited to the interpretations of actors who create and re-create it.

By denying institutions and structures casual power BR neglect their role in constraining or enabling the intentions of political actors to be realised. They risk creating a false dichotomy when arguing that the second wave, and in particular the APM, ‘read off’ actions from allegedly objective social facts about institutions or people […] describing reified institutions with alleged path-dependency’ (BR, 2003, p.195).

The claim that such path-dependency invariably promotes structure over agency is refuted by Marsh over the course of four articles (Marsh 2008a, 2008b, 2011; Marsh, Hall and Fawcett, 2014). He argues that critical realists do not reify traditions, as BR claim (BR, 2008, p.730), but rather understand institutions and structures as constraining and facilitating, without determining the present (Marsh, Hall and Fawcett, 2014, p.341). Such a claim does not refute the importance of beliefs and ideas in governance (Marsh, Richards and Smith, 2001, p.243) but argues that change within governance relations is not wholly explicable by recourse to the beliefs and ideas of individuals. A full account of governance requires the examination not just of the intentions, desires and beliefs of actors but ‘an appraisal of how the institutional context constrain[s] or enable[s] some intentions to be realised’ (McAnula, 2006, p.1086). Structures and institutions continue to retain an important role for state-centric scholars, especially in exploring what Goodwin and Grix call ‘underlying power relations’ (Goodwin and Grix, 2011, p.552); they should not be dismissed in the rush toward an interpretivist agenda for the governance debate. Ultimately this debate is anchored in contrasting epistemological approaches.

3.1.4 – Waves of Governance Conclusion

Extant debates within the governance literature, as explored in this section, attempt to deal with the complex issues of state transformation over time. Whilst remaining a
contested concept, accounts of governance can be distinguished on the basis of the extent to which they advocate the constraint of central government in the design and delivery of public policy. Two key governance waves have been identified from a UK perspective which advocate for: society-centric and state-centric understandings of British governance both of which congregate around a critique of the formerly dominant Westminster model of strong, centralised and accountable government.

This thesis questions the extent to which society-centric accounts of governance fundamentally overplay the erosion of state capacity and asks if they exaggerate the extent to which non-governmental actors have acquired power at the expense of the core executive in a zero-sum game, a principle problem with first wave theories (Smith, 2006, p.32). It considers both society and state-centric accounts of governance in order to explore issues of state transformation. It uses these debates to assess the extent to which SE policy under New Labour’s Third Way and the Conservative Coalition’s Big Society posed a challenge to the status quo of strong, centralised government in the UK.

In addition to these debates on governance another crucial concept of importance to the framework this thesis will employ is that of policy networks. The literature on policy networks, building on the governance literature itself, offers an important means by which to consider power constructs that impact on policy formulation in British government. The next section looks in detail at this literature and sets out the frameworks which emerge.

3.2 - Network Governance

The basic premise of network governance is that policy making now takes place in a system of closed networks made up of core executive departments and specialised interest groups which are to some extent dependent on one another (Marsh, Richards and Smith, 2001, p.182). It offers a contrasting understanding of power that locates decision making within autonomous policy networks, of which the core executive can be just one of many actors. Concern with the development of network governance initially arose during the 1950s when Post War changes to Western political systems saw the increasing importance of locating ‘groups of actors with shared interests’ at
the centre of policy making (Jung, 2010, p.351; see also Freeman, 1955; Truman, 1951; Maass, 1951; Dahl, 1956, Schattschneider, 1935 and Lindblom, 1965).

The existing literature broadly agrees that policy networks are an important factor of decision making in modern democratic systems of government. It encourages us to focus on the links between interest groups and executive departments in the policy making process to better understand the effect of such relations on policy outcomes. There is less agreement within the literature, however, when it comes to how useful the concept is at helping to explain these policy outcomes and the wider importance of the proliferation of networks in policy making (Marsh, 1998, p.3).

These differences can be organised into three schools of thought: the U.S., the European and the British (Marsh, 1998, p.3). The diverse perspectives found within these approaches are then located around two principal claims. The first, which Jung (2010, p.353) terms the ‘governance school’, describes policy networks as a new form of governance which provides an alternative to hierarchies and markets through ‘non-hierarchical coordination’. The second, ‘interest intermediation school’, considers policy networks as forms of relationship which exists between specialised interest groups and executive departments with a significant impact on the ‘formulation and implementation of policies’ (Jung, 2010, p.353).

This section of the chapter will look at how these three approaches understand the role and significance of policy networks in governance.

3.2.1 - The U.S. Literature

Before looking in more detail at the emergence of the policy networks concept within the European and British literatures it is important to briefly consider its development within the U.S. context. Policy networks began to be considered within the U.S. literature from the late 1950s where it explored the relationships between governments, pressure and interest groups and bureaucracies in the form of sub-governments (Jordan, 1990; Marsh, 1998). The concept of sub-government initially gained a number of advocates and produced well-known derivatives such as the iron triangle concept before encountering a significant back-lash from pluralist authors.
who sought to downplay the ‘restricted nature of access to policy making’ (Rhodes, 1997, p.34), in favour of a more open, issue network approach.

The U.S. sub-government literature argued that policy making had been disaggregated into areas dominated by ‘bureaucrats, Congressmen and interest groups’ which interact to form sub-systems and determine policy (Rhodes, 1997, p.33; Freeman, 1955). These sub-governments are described by Ripley and Franklin (1981) as ‘clusters of individuals’ who coordinate in order to affect policy within functional areas. Extending this argument, Cater (1964) and McConnell (1966) posit that sub-governments are the most dominant force in policy-making. They are portrayed as being capable of ‘captur[ing] the government agency supposed to regulate their activities’ (Rhodes, 1997, p.33) and advancing private interests even where these contend with government. Advocates of the sub-government thesis like Freeman (1965, p.33) argue that this influence is expounded by the permanence of the sub-system.

Others like Lowi (1964) and Peters (1986) developed the sub-government concept through the now well-known iron triangle metaphor. They argued for the existence of close-knit inter-dependent relations between a small number of elite players in policy making. In the U.S. context, these triangles were typically made-up of key interest groups, a central government agency and the corresponding Congressional committee (Lowi, 1964). They were said to ‘control […] narrow and small niche[s] within the policy field’ with ‘mutually advantageous’ symbiotic relationships resistant to fast-paced change’ (Jung, 2010, p.354).

The dominance of the sub-government and iron triangle concepts did not go unchallenged. Pluralists like Heclo (1978) argued that the closed and restricted nature of the sub-system had been over-emphasised at the expense of the more open issue network which he argued was more prominent in policy-making.

For Heclo (1978, p.263) the iron triangle concept was ‘disastrously incomplete’. Rather than focussing attention on closed networks of control he advocated for a broader conception of open issue networks which he argued ‘increasingly impinge[d] on government’ (Heclo, 1978, p.263).
In Heclo’s view issue networks acted as a reverse image of iron triangles. Rather than being closed and elite in nature they were said to be made up of many groups and individuals operating at a number of levels. These ranged from ‘the vocal minority who turn up at local planning commission hearings to the renowned professor who is quietly telephoned by the White House’ (Heclo, 1978, p.275). Issue networks did not deny the presence of powerful interests within systems of policy-making but broadened out the definition to include a much wider and more diverse group of interests operating at all levels. Jordan (1981, p.103) would later argue that issue networks offered no substantive challenge to the iron triangle concept but rather presented these same networks with greater membership and lower levels of cohesion and homogeneity.

Despite some resistance to the concept of issue networks authors like McFarland (1987) continued to advocate for their dominance. McFarland’s work signalled a revival in pluralistic accounts of government-interest relations arguing that government is capable of resisting the pressures placed upon it by interest groups and that sufficient countervailing influences exist within networks to subvert the domination by any one (chiefly economic) interest (McFarland, 1987). He argued that to this end issue networks ‘constantly communicate[d] criticism of policy and generate[d] ideas for new policy initiatives’ (McFarland, 1987, p.146).

The U.S. policy network literature primarily dealt with micro-level ‘personal relations between key actors’ rather than structural relations between institutions (Rhodes, 1997, p.35). It has focussed on the role of sub-governments and iron triangles in restricting the potentially variegated nature of the policy-making process. It subsequently became subject to pluralist critique which argued that whilst networks, and closed networks, do exist they do not pose a significant threat to the will of elected governments or the democratic process (Rhodes, 1997, p.35).

3.2.2 – The European Literature

The European literature gives greater significance to the emergence of policy networks than is afforded in either the British or U.S. literatures (Marsh, 1998). Rather than
simply being a model for the involvement of interest groups in the policy process, policy networks, for authors like Klijn (1997) and Mayntz (1994), represent the advancement of an entirely new form of governance which displaces core executives from the centre of policy making.

The European literature is divided into the German and Dutch schools which, whilst having much in common, differ in their approaches to the extent to which policy networks have superseded the autonomy of core executives in the policy making process.

3.2.2.1 - The German School

As Marsh and Smith (2000) argue, the German and Dutch literatures are chiefly concerned with viewing networks as an alternative to markets and hierarchies with a greater number of private interests playing a greater role in shaping the development of policy. For the German school policy networks offer a new form of governance which has arisen chiefly because hierarchies and markets offer flawed means of coordination, to which policy networks are the alternative (Kenis and Schneider, 1991). They argue instead that policy networks allow for greater consensus among key stakeholders in specific policy areas, this in turn improves coordination.

The ‘German school’ presents these policy networks as increasingly dominant because ‘neither hierarchy nor markets are appropriate forms of governance in a world characterised by increasing interdependence between the state and the private sector’ (Marsh, 1998, pp.8-9). Whereas hierarchies are considered too rigid and excluding of important (non-state) stake holders, markets are viewed as lacking coordination and being prone to failure. Networks (in the German school) rather, allow for a ‘horizontal, negotiated self-coordination’ and avoid those supposed problems concerned with other forms of governance (Marsh, 1998, p.9).

Policy networks, as understood by the German school, allow for a greater level of horizontal coordination between interdependent state and non-state actors who increasingly need to share knowledge, influence and resources in order to achieve
mutually beneficial policy objectives. It is, to this extent, much more akin to the hollowing out of the state thesis found in the DPM of governance.

3.2.2.2 - The Dutch School

Sharing much in common with the German school, the Dutch literature presents the policy network model as an alternative to the dominant rational central role model (Kickert et al, 1997) which is argued to focus too intently on the role of the executive in the command and control of the state. Decisions are made by networks built on consensus and cooperation (Kickert et al, 1997). As the government is no longer viewed as the superior actor in policy formulation, this process now occurs cooperatively amongst the key stakeholders in a given policy area. Crucially, in the Dutch school, the core executive is viewed as one actor among many with ‘roughly equal power’ with a greater focus on the agency of individual actors within the policy process (Marsh, 1998, p.9).

In contrast to the European literature the British is described by Marsh and Smith as being ‘narrower in focus’ and conceiving of policy networks not as a fundamentally new form of governance but, rather, as playing a limited role in the ‘development and implementation’ of public policy (Marsh and Smith, 2000, p.4).

3.2.3 – The British Literature: Rhodes to Marsh

The British literature looks at policy networks as a ‘variety of patterns of interaction’ between public and private actors in policy making. Authors associated with this approach have developed a range of typologies which aim to capture the different forms of public-private actors relations within policy networks (Adam and Kriesi, 2007, p.130).

The British literature can be mapped across four key contributions. The first by Richardson and Jordan (1979) who stress the interpersonal connections over the structural make-up of networks. They describe policy making as taking place within impenetrable sub-systems where negotiation and exchange occurs to produce a commonly agreed policy.
The second sees Rhodes (1997), taking inspiration from European interorganisational theory, to forefront the structural relations between institutions within networks. He sees networks as clusters of organisations dependent on one another for resource exchange and develops a typology of networks which ranges from the loosely integrated to the tightly integrated. Crucially for Rhodes (at least when writing in late 20th century) policy networks are shown to be autonomous institutions that can even resist the will of core executives. This typology is then developed in 1992 by Marsh and Rhodes who emphasised the impact of exogenous change on networks.

In response to Rhodes’ focus on the structural relations within networks Marsh and Smith (2000) then develop their dialectical model which argues that iterative and interactive relations existed in three areas. The first is the relationship between the network’s structure and its members; the second is the network and its political and socio-economic context and the third is between the network and the outcomes it delivers

3.2.3.1 - Richardson and Jordan

Richardson and Jordan are cited as having made the first major contribution to the British literature on policy networks (Rhodes, 1997, 2017). They describe the policy making process in Britain as taking place in sub-systems made up of governments, agencies and pressure groups where negotiation takes place. These sub-systems consist of ‘vertical compartments’ which each house ‘a different set of organised groups’ largely impenetrable by unfavoured organisations or the wider public (Richardson and Jordan, 1979, p.74; see also Rhodes and Marsh, 1992, p.10).

These sub-systems form ‘policy communities’ (adopted from Heclo and Wildavsky’s 1974 concept) in which ‘a myriad of interpenetrating organisations’ engage in exchange relationships built around loosely shared sets of dominant values (Richardson and Jordan, 1979 and Thatcher, 1998, p.391). These communities are ‘distinguished by commonality of interests’ (Dowding, 1995, p.138) and contribute to policy making by enabling a process in which ‘an equilibrium is reached between […] competing groups in society’ (Richardson and Jordan, 1979, pp.3-4). For Richardson
and Jordan, the British policy process, then, is based on restricted group membership which, through ‘cooperation and consensus’ processes ‘common policy’ (Jordan and Richardson, 1982, p.83 and Varisco, 2018, p.43). The nature of these cooperative relationships, for Richardson and Jordan is viewed as interpersonal, rather than structural, and built on the exchanges of actors within the network (Rhodes and Marsh, 1992, p.10).

3.2.3.2 - Rhodes

Rhodes adopts a different approach to Richardson and Jordan, inspired less by the U.S. literature on subgovernments and more by the European interorganisational theory literature (Rhodes, 1997, p.36). Rather than the interpersonal, Rhodes emphasised the structural relations between institutions in policy networks (Rhodes, 1997, p.36). He argued that the structural aspect of institutions was more important than the interactions and relationships of individual actors within them.

Rhodes (1986b: Chapter Two) describes policy networks as ‘cluster[s] or complex[es] of organisations connected to one another by resource dependencies’. For Rhodes networks are founded on these dependencies and the subsequent need for diverse actors to exchange resources. This exchange relationship determines the distribution of power within a given network (Rhodes, 1997, p.37).

He argues that there are five types of network which are distinguishable based on the degree to which they are integrated (from ‘tightly integrated policy communities’ to ‘loosely integrated issue networks’), their membership and the distribution of resources held between members (Rhodes, 1997, p.38).

His initial framework was based on a theory of power dependence which contained five key propositions:

i) All organisations are dependent on others for resources
ii) Organisations must exchange resources to achieve their goals
iii) Some coalitions are dominant, and these groupings can influence which resources will ‘be a problem’ and which resources will be in demand
iv) Dominant coalitions can regulate the exchange process through the strategies in the ‘rules of the game’

v) The goals and potential power of organisations vary with their power depending on their resources, the rules of the game and the way exchanges occur between them (Rhodes, 1981, p.98 and Rhodes, 1997, pp.36-7).

This was later revised to account for disaggregation between the macro, meso and micro level of analysis. For Rhodes policy networks form a meso-level concept which help to link the micro level of analysis (concerning the mix of interests and the executive in specific sectors) and the macro level concerning the ‘broader questions’ about the nature of power distribution in modern society (Rhodes, 1997, p.29).

He defined policy networks, following Benson (1982) as ‘cluster[s] of complex organisations connected to one another by resource dependencies and added to this definition by distinguishing five types of network which formed part of a continuum ranging from tightly integrated policy communities (with high levels of stability, restricted memberships, vertical interdependence and ‘limited horizontal articulation’ to loosely integrated issue networks (unstable with large memberships and limited vertical interdependence (for a summary see Rhodes, 1997, p.38).

High levels of stability and closed, coordinated membership was said to allow for ‘frequent and continuous’ interactions with policy makers which created ‘reciprocal’ relationships which could influence the policy process (Varisco, 2018, pp.44-5). Large, fluctuating and diverse memberships associated with issue networks, however, were said to lead to irregular access to policy makers and subsequently less influence of the policy process (Varisco, 2018, pp.44-5). Any policy network could fit into the continuum but ‘no policy area will conform exactly to either list of characteristics (Marsh and Rhodes, 1992, p.250).

Rhodes’ conception of policy networks was at the ‘analytical heart’ of his notion of governance (Richards and Smith, 2002, p.23). His account presented networks as self-organising and self-governing institutions that could resist government direction and ‘develop their own policies’ (Richards and Smith, 2002, p.23).
3.2.3.3 - Marsh and Rhodes

In 1992 Marsh and Rhodes developed the Rhodes model by emphasising the structural aspect of networks and arguing that these existed at the sectoral as well as sub-sectoral level. They argued that networks could affect outcomes and developed a typology which attempted to capture their varying qualities (Marsh, 1998, p.7).

They assigned three key features to policy networks:

i) Networks are structures of resource dependency with structural links present between the interests involved in the network

ii) Network structure affects policy outcomes (policy continuity is the most likely outcome of tight networks, discontinuity is most likely for looser networks)

iii) In order to understand policy change, network change must be understood, exogenous factors can lead to change in the policy network and outcome. (Marsh, 1998, p.11).

They are located on a continuum and are structured around relationships of resource dependency where policy making takes place through the exchange of resources between members of a network (Marsh, Richards and Smith, 2001, p.182).

Marsh and Rhodes focussed on four categories of exogenous change in their approach to policy networks: economic, ideological, political and knowledge-based; each of which is capable of ‘undermin[ing] the certainties and values within particular networks’ (Marsh and Smith, 2000, p.8).

Marsh (1998) later argued that Marsh and Rhodes (1992) structural approach had two principal flaws. The first was that it did not account for the dialectical relationship between structure and agency and the second, it privileged exogenous, at the expense of endogenous, factors when explaining change (Marsh and Smith, 2000, p.7).

3.2.3.4 - Marsh and Smith: The Dialectical Model

Marsh and Smith (2000) set out their dialectical model of policy networks. In it they posit three dialectical, that is iterative and interactive, relationships that they consider crucial when trying to understand policy networks and their effect on outcomes. The
first is the relationship between the structure of the policy network and its participants or members; the second is the policy network and its political and socio economic context and the third is the policy network and the outcomes it delivers as part of the policy process (Marsh and Smith, 2000, p.20; see also Toke and Marsh, 2003, p.232).

To understand how policy networks affect outcomes Marsh and Smith argue that these dialectical relationships must be analysed. They do not propose a predictive model but rather argue that looking at these relationships guides the kinds of questions that should be asked in order to understand how policy outcomes are impacted by the existence of related policy networks (Toke and Marsh, 2003, p.232).

These networks are described by Marsh and Smith (2000) as both constraining and facilitating the actions of agents operating within the network. They are structures which define the roles of actors, shape the agenda, have distinct rules and have ‘organisational imperatives’ (Toke and Marsh, 2003, p.232). The interactive relationships that exist between the network as a structure and the actors operating within it help to ‘define, interpret, and reinterpret policy outcomes’ (Varisco, 2018, p46 see also Evans, 2001, p.543).

The dialectical model, Marsh and Smith (2000) argue: acknowledges the ‘broader structural context’ affecting network structure and the resources available to actors within them. It takes account of the skills of actors in bargaining and strategizing with the network and the way this can be affected by the feedback of success and failure. It proposes that almost all causal influences affecting outcomes are dialectical and capable of affecting change within each other (see Marsh and Smith, 2000, p.10).

Agents can make strategic decisions within networks, interpret the structural context, bargain, disrupt and negotiate network structures (Toke and Marsh, 2003, p.232). Networks are presented, then, as both ‘institutional and interpersonal’ affecting outcomes because they can shape agendas and ‘mediate exogenous change’ (Gains, 2003, p.60).

The diverse set of approaches to the study of network governance set out above all share the same core belief that policy making now takes place in closed networks made
up of specialised interest groups and the core executive. The actors and institutions within these networks are to some extent dependent on one another in their interactions, to secure resources and deliver outcomes (Marsh, Richards and Smith, 2001, p.182). The policy networks concept, crucially, argues for a contrasting understanding of power to that advocated by, for example, the Westminster model. Rather than being entirely concentrated in the core executive, it suggests that power has been dispersed (to varying degrees) among members of the policy network.

A consideration of the role of networks in the policy process encourages us to focus on the links between interest groups and executive departments and better understand the effect of such relations on policy outcomes. How useful the concept is at helping to explain these policy outcomes and the wider importance of the proliferation of networks in policy making remains contested in this diverse, and not easily synthesised, literature (Marsh, 1998, p.3).

The dialectical approach offers a potentially compelling framework to help assess the ways in which networks in the area of SE policy may have shaped outcomes. This thesis is primarily concerned with the extent to which SE marked a change in the delivery of public goods over time; asking whether the core executive acted to constrain the development of SE? In answering this question the dialectical approach helps to focus attention on the ways in which the broader structural context of networks affects their membership, how actor’s skills can affect negotiations and outcomes and how these outcomes feedback and affect the make-up of the networks. If the progression of SE was constrained by the core executive in the UK, then a consideration of these questions, and the location of power within or without these networks, will be crucial in attempting to understand why.

3.3 – Conclusion

This chapter explored the key debates on governance, network governance and policy networks which have taken place in the literature over, primarily, the past four decades. Understanding these debates and the conceptual frameworks they propose is important because this thesis seeks to better understand the development of the role of SE in the delivery of public services, under New Labour and the Coalition. To this end
the governance approach takes power seriously and encourages us to focus on the multitude of actors and locations in which policy making now takes place.

It moves our attention to those actors and institutions outside the core executive and encourages us to think about how networks affect outcomes. It prompts an analysis of the relationships between actors, institutions and networks whose interrelations may have impacted on the policy process. It prompts a series of questions regarding the extent to which these networks may exist in the sphere of SE policy and whether they have effectively exerted influence over the direction of SE related policy in the UK. In so doing they help to answer one of the primary research question of this thesis: how may we understand the nature of the network relationships involving SE?

The next chapter examines the extant literature concerning the emergence and development of SE in the UK. It maps this literature and considers what is already known about characterisations of the sector and the rhetoric employed by each government concerning SE.
Chapter Four – Social Enterprise: From the Third Way to the Big Society

4.1 - Introduction

Since the late 1990s, SE policy has been at the heart of governance in the UK; variously described as offering ‘radical new ways of operating for public benefit’ (Blair quoted in DTI, 2002), pioneering new approaches to the delivery of successful public services (OTS, 2006a) and becoming part of a ‘self-sustaining, independent market that is going to help build the big society’ (Cameron, 2012).

By 2015 there were an estimated 70,000 SEs operating in the UK, with 22,400 receiving the majority of their income from the state (SEUK, 2015). Despite claims to the growth of SE in recent decades (Ridley-Duff and Bull, 2011) there remains comparatively little known about the specific role they play in public service delivery and less still about the role of governments in shaping and directing their development (Somers, 2013).

The emergence of SE has coincided with a reassessment of the way public goods are delivered in Britain. Both the Third Way under Labour and the Big Society under the Conservative-led Coalition attempted to plot an alternative that went beyond traditional statist models of social democracy and neo-liberalism (Teasdale, 2011). They emphasised instead the relationship between the state, markets and networks and in so doing assumed a role for SE. As such the Third Way and Big Society concepts are crucial to understanding the ideational underpinnings of the development of SE in the UK which informs an understanding of the role each party envisaged for SE.

This chapter sets about exploring the rhetoric and reality of New Labour and the Coalition government’s approaches to SE policy. It looks at whether a gap exists between its rhetorical presentation by New Labour and the Conservatives and the accounts of its delivery in practice, as set out in the extant secondary literature.

It begins by exploring existing narratives of the emergence of SE with a particular focus on its establishment in the UK to set up the context through which SE will be considered in the chapter and thesis. It then explores the ideational and material reality
The past three decades have witnessed the growth of SE both globally and, in particular, in the United States, Continental Europe and the UK. By the early 1990s, and in conjunction with the rise of governance as a new mode of governing, SE had moved from a state of being ‘rarely discussed’ to ‘making amazing breakthroughs on both sides of the Atlantic’ (Defourny and Nyssens, 2006, p.3). By 2015 enthusiasm
for the organisational form that combined ‘strong social purpose and energetic, entrepreneurial drive’ (Blair, quoted in DTI, 2002, p.5) had expanded to the point that there were 70,000 ‘good fit’ SEs operating in the UK alone (SEUK, 2015, p.4). They were estimated to be employing nearly a million people and contributing £24 billion to the economy (SEUK, 2013, p.6) with 32% drawing their primary income from public contracts or grants (SEUK, 2015, p.25). Such was the growing popularity of SE among practitioners and policy makers that it was famously said, had the ‘concept [not] exist[ed], Tony Blair would have invented it’ (Taggert, 2002).

Despite its privileged place in the rhetoric of both the New Labour and Coalition governments, comparatively little is known about the development of SE and its role in the delivery of public goods (Somers, 2013). This section of the chapter sets out to trace the origins of SE in the UK by exploring and challenging definitional debates and existing accounts of its emergence.

4.2.1 - Defining SE

Despite a lot of ‘ink […] blood sweat and tears’ (Price, 2009, p.1) shed in the attempt to define what SE actually is, conceptualisations of the phenomenon have remained in their infancy and are heavily contested. Within this literature SE is variously described as being applicable to ‘a range of phenomena’ (Teasdale, 2011, p.3), having ‘various historical points of reference’ (Ridley-Duff and Bull, 2016, p.55) and likened to chasing a Chimera (Nicholls, 2006; Bull, unpublished, p.2). Whilst uncertainty presides in current conceptualisations, there have been clear attempts within the literature to provide convincing theorisations of SE’s emergence and development, with particular focus on the US, Continental Europe and the UK. This section explores these conceptualisations and narratives of its emergence.

4.2.1.1 - Regional Variance

Kerlin (2006), Defourny and Nyssens (2010) and Somers (2013) all locate their conceptualisations of SE around the contrasting ‘geographical determinants’ (Somers, 2013, p.42) of two key regions; the United States and Continental Europe. They each focus on how ‘historical factors’ promote and shape conceptions of SE and converge
around the principle differences identified between the two regions. In the US, conceptions of SE focus on the creation of social change through market mechanisms where revenue generation by non-profit organisations dominates (Kerlin, 2006, p.248; Somers, 2013, p.45). European understandings, alternatively, are much more focussed on SE as a set of organisational forms with particularly close links to the cooperative movement (Defourny and Nyssens, 2010, p.33). They are more inclined to require a ‘formal democratic management’ structure than in the US (Defourny, 2001). Whilst few connections existed between these debates (Defourny and Nyssens, 2010, p.33) their contrasting approaches were brought together in the UK which, through its ‘mid-Atlantic vantage point’ is described as promoting elements of both (Somers, 2013, p.42).

4.2.2 - The Emergence of SE in the UK

Existing accounts of the emergence of SE in the UK locate its emergence around the rise of New Labour, in the late 1980s and 1990s (Blond, 2010; Defourny and Nyssens, 2010; Grenier, 2009; Arthur et al, 2006; Mawson, 2010; Ridley-Duff and Bull 2011, 2016; Sepulveda, 2015; Somers, 2013 Teasdale, 2011; Westall, 2001). They congregate around two principal claims: the first argues that SE emerged as a rebranding exercise for the cooperative movement and the creation a new social economy capable of delivering traditional public services (Ridley-Duff and Bull, 2011, 2016; Somers, 2013; Teasdale, 2011). The second argues that, in the pursuit of its Third Way agenda, New Labour adopted SE to bring Thatcherism’s ‘enterprising culture’ into the voluntary and community sectors which saw themselves as an alternative to the neo liberal political agenda of the 1980s (Garrow and Hasenfeld, 2014; Grenier, 2002, 2009; Arthur et al, 2006; Nyssens and Defourny, 2006; Somers, 2013; Teasdale, 2011; Westall, 2001).

Ridley-Duff and Bull (2011, 2016) argue that SE gained its foothold in the UK within the cooperative movement and community regeneration sector in the 1990s (Ridley-Duff and Bull, 2016, p.56; Ridley-Duff and Southcombe, 2012; Teasdale 2011). They contend that SE started out as a rebranding exercise, conducted by elements of the cooperative movement in London working to establish a city-wide support agency for the sector (Ridley-Duff and Bull, 2016, p.56; Teasdale, 2010, p.11). Ridley-Duff, then
a participant, describes how SE was just one among a range of options available for the ‘rebranding’ of the cooperative movement at that time (Ridley-Duff and Bull, 2016, p.57). Their efforts resulted in the launch of Social Enterprise London, later morphing into the national body the Social Enterprise Coalition, a lobbying organisation for the sector (Ridley-Duff and Bull, 2016, pp.56-7). Brown argues that the purpose of SE, as a rebranding exercise, was to capture political interest in the work of existing cooperative development agencies without ‘alienating people through the language of common ownership’ (Brown quoted in Teasdale, 2011, p.10).

Alongside these cooperative roots, Ridley-Duff and Bull (2016) posit a second point of emergence in the form of community regeneration policy. They state that the first academic research to consider UK SE (Amin et al, 1999) was focussed on state-driven neighbourhood renewal programs which sought to rebuild marginalised communities in the UK. To this Bull adds that such regeneration took the form of ‘tackling worklessness and social deprivation’ in order to achieve economic growth in deprived communities (Bull, unpublished, p.4). Teasdale further argues that from an early stage, New Labour’s vision for SE in the policy landscape was that of a ‘tool to combat area-based exclusion’ (Teasdale, 2010, p.2). The term’s first appearance in an official government publication followed in the form of the Neighbourhood Renewal Unit’s Enterprise and Social Exclusion report (HM Treasury, 1999). In it, SE was more closely associated with the work of community businesses and socially excluded groups rather than, for example, employee ownership or fair trade (Westall, 2001, p.25).

Over time, these cooperative and community regeneration origins of UK SE became increasingly ‘obscured’ by the growing influence of US earned-income and innovation discourses (Ridley-Duff and Southcombe 2012; Teasdale, 2011). This led to a conflict of conceptualisations which Westall characterises as ‘two alternative strands – that of self-help [mutuals and cooperatives] and of charities [non-profit organisations] where the paradigm, at least historically, is more related to helping others to help themselves’ (Westall, 2001, p.24).

Previous accounts of the emergence of SE and its conceptualisation in the UK build on a narrative of its influence by European and US conceptions. They suggest that the
phenomenon is founded in developments taking place in the UK in the 1980s and 1990s. The cooperative and community regeneration roots of SE, however, have a much deeper heritage than previously acknowledged. Research conducted for this thesis reveals that as far back as 1920 SE was being directly connected to the work of the cooperative movement and, from 1948, community regeneration and work integration.

4.2.3 - The Beginnings of a New History of SE

The roots of SE in the UK go deeper than the existing literature suggests. Rather than arising as a constructed term designed to rebrand the cooperative movement in the late 1990s, SE was being used directly to describe the work of cooperatives and mutual organisations as early as 1920. By 1948, SE had been linked to post-war work integration policies and by 1983 it had been lauded for its ability to reduce the ‘dangers of over-centralising power’ (Beswick, 1983). One of the contributions made by this thesis is in identifying that a Centre for Social Enterprise, in receipt of government funding, first existed from at least 1984, 14 years prior to the establishment of Social Enterprise London. In fact, 29 direct Parliamentary uses of the term ‘social enterprise’ preceded the election of the New Labour government in May 1997. Of these, 11 bear substantial resemblance to contemporary understandings of the concept. These fall into two primary categories: those that see SE as interchangeable with the work of the cooperative movement and those that see SE as a means to improve work integration.

Whilst this thesis is not the place to develop these findings in depth, the history of SE in the UK is important because it gives vital context to its emergence under the Third Way and Big Society from 1997 to 2015. How these ideational agendas impacted on the development of SE in the UK is an important question for this thesis because it helps to shed light on the way Labour and the Coalition approached the emergence of SE both rhetorically, and in practice. It allows us to assess the starting point of SE’s development before asking to what extent there was a gap between the rhetoric and reality under both parties and, crucially, why this might be so?

The following two sections will look in detail at the Third Way and Big Society approaches to governing, assessing the rhetoric and comparing it to the reality as set
out in the existing critical literature. In each section the respective conceptions of SE will also be considered.

4.3 - The Third Way

The Third Way is not unique to the U.K. Reference to its emergence can be traced to Europe, Northern and Latin America and parts of Australasia from as early as the turn of the century (Williams and Dixon, 1998). Whilst its most prominent guises came in the form of Clinton’s Democrats and Blair’s New Labour, a host of European nations, including Sweden, the Netherlands, Germany, France and Spain are all said to have developed their own versions of the ‘modernising’ agenda (Evans, 2004, p.151).

The Third Way has been described as an ‘[in]coherent, ideological package’, a ‘metaphor’ adopted by centre-left parties attempting to reconcile the rise of the global economy with demands for greater localism and the binary of state and markets through an alternative ‘middle way’ (Richards and Smith, 2004, p.109). Whilst little agreement exists on its precise international origins (Powell, 1999, p.13) the Third Way clearly represented an opportunity for New Labour, in the UK, to forge a middle ground between the collectivism of the Keynesian welfare settlement and the individualism promoted under Thatcher. As one of its key architects described it, the Third Way represented a rejection of both top-down socialism and traditional neo liberalism (Giddens, 1998). It is distinct from liberal capitalism’s privileging of market solutions and democratic socialism’s favouring of the state and it stands for ‘growth, entrepreneurship, enterprise and wealth creation’ whilst retaining a commitment to social justice (Giddens, 1998, 2000; see also BBC, 1999).

This section sets out to explore the various ideas underpinning the Third Way as a governing agenda which informed the politics and policy of New Labour in Britain. It begins by briefly exploring the Third Way as a new middle forged by U.S. Democrats and the British Labour party in the early 1990s in response to the previous decade’s agenda of economic liberalism and the establishment of the strong, but minimal, state (Atkins, 2010). It then considers its emergence in a UK-specific context following the collapse of the Keynesian welfare settlement and the rise of Thatcherism. Finally, what New Labour’s agenda meant for state/society relations and the role of civil society in
the delivery of public services will be assessed before comparing accounts of its material reality against the rhetoric in order to ask whether central command or devolved responsibility was most characteristic of the New Labour governing program?

4.3.1 - The Third Way’s International Roots

British and U.S. versions of the Third Way reflect a ‘confluence of historical influences’ on both the Democratic and New Labour parties of the late 1990s (Evans, 2002, p.146). Its US origins are said to have emerged from the Democrat’s 1996 New Progressive Declaration which proposed a new framework for government in the States designed to avoid ‘both the bureaucratic, top-down [approach] favoured by the old left and the aspiration of the right to dismantle government altogether’ (Democratic Leadership Council, 1996; cited in Giddens, 2000, p.2). This shift, it is claimed, was necessitated by the rise of new global markets, the emergence of the knowledge economy and the ending of the Cold War which reduced the state’s ability to ‘manage economic life and provide an ever-expanding range of social benefits’ (Democratic Leadership Council, 1996; cited in Giddens, 2000, p.2; see also Evans, 2002, p.148).

The ‘progressive’ agenda, advocated by Clinton, was argued to have ‘pointed the way’ to other centre-left parties ‘by retrieving the support of lower- and middle-income voters’ (Evans, 2002, p.149). It is said to have achieved this through a combination of greater levels of security and state support, more choice and accountability and less bureaucracy (Evans, 2002, p.149). This provided a road-map closely emulated by an emerging British Labour Party who, like the Democrats, had endured a considerable period in the political wilderness since the late 1970s.

So enthusiastic was the uptake of the Democrat’s progressive, later termed, ‘Third Way’, agenda that in the run up to the 1997 election Blair was said to have ‘designed and built New Labour using blueprints faxed from Little Rock’ (King and Wickham-Jones, 1991, p.73). Key modernisers like Gould argued that the Party was emulating the Democrat’s success by forging a ‘populism of the centre rather than the left’ and distancing the party from its association with the ‘poor and the past’ (Gould, 1998,
p.176; see also Evans, 2002, p.150). The Third Way, so conceived, was closely associated with a desire to transcend the ‘increasingly unhelpful binary’ between the statist and market approaches of Old Left socialism and New Right neoliberalism (Williams and Dixon, 1998). Key advocates, like Giddens, called for a mixed strategy to respond to an ‘increasingly complex, diverse and pluralised policy-making arena’ (Blunkett and Richards, 2011, p.180). It is to the origins of New Labour’s particular strand of Third Way politics that we now turn.

4.3.2 - The Emergence of the Third Way in the UK

From the late 1940s onwards, various U.K. governments claimed to have overseen the establishment of the Keynesian Welfare settlement, founded on a traditional hierarchical, top-down model of state-delivered public services. Collectivism, the unitary state and social solidarity came under increasing scrutiny in the 1970s as narratives of overload and the ‘ungovernability’ of British society prompted a rhetorical crisis of the state (Birch, 1984; King 1975; See Hay, 1996, 1999 for more on the contested nature of the crisis of the state). Britain was said to be suffering more than most other nations from the effects of the cost of maintaining an expanding welfare settlement with public spending rising from 40% to 50% of GNP between 1960 and 1978 (Usher, 1981). It was also described as suffering from rising ungovernability; a decline in public confidence, trust in traditional forms of representation and a breakdown of public order (Birch, 1984, p.149). These factors combined, at least rhetorically, to create a perceived crisis of the state which Thatcher’s Government responded to in the late 1970s. They proposed the replacement of statism with its own brand of economic liberalism and a laissez faire approach to public services (Atkins, 2010, p.39).

Thatcherism drew on New Right concepts of individualism and a minimal role for the state as an ‘antidote’ to perceptions of overload accrued under the collectivist, statist tendencies of the 1970s and Old Labour (Blunkett and Richards, 2011, pp.188-9). The New Right was responding to the rigid, hierarchical state structures associated with

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7 Overload, or fiscal overload, is defined by Birch (1984, p.148) as ‘a condition in which the cost of public services grows more quickly than the GNP, to the point at which it takes up more than the increase in national income in a given year, thus causing a decline in private consumption’. 
Weberian models of bureaucracy (Giddens, 1998). It did this through the pursuit of a distinctly neo-liberal agenda which advocated the diminished role of the state in society and a transition from collectivist to individualist values (Richards and Smith, 2004, pp.109-10). These neo-liberal reforms were characterised by the dispersal of state functions through market mechanisms and outsourcing (Newman, 2001, p.55-6). Temple (2000, p.305) argues that this ‘revolution’ in the provision of public services challenged assumptions about the role of the state, private and community sectors. It prompted the transition from a unitary state to multi-level governance which resulted in the transformation of policy making from a state-centric activity to a ‘complex mix of hierarchies, networks and markets’ (Richards and Smith, 2004, pp.108-9).

These reforms, taking place in the 1980s, were an ‘obvious contributor’ to British conceptions of the Third Way under New Labour (Temple, 2000, p.305). Such reform of the state was a key principle of Third Way politics which advocated a mixed economy, including civil society, for the purposes of fostering community renewal and the delivery of public goods (Giddens, 1998, p.78). It formed a means by which the Labour Party could attempt to reconcile ‘key reforms’ enacted under Thatcher whilst not turning away from the tenets of social democracy. Labour was not trying to abandon any recourse to the central bureaucracy nor was it advocating ‘the wholesale use of markets’ but, rather, a mix of both (Richards and Smith, 2004, p.110).

New Labour’s Third Way saw to offer a new middle ground between the ‘neo-conservatism’ of the 1980s and the ‘state socialism’ advocated by Old Labour (Atkins, 2010, pp.39-40; Fielding, 2003; Shaw 2008). The Third Way constituted a ‘rethinking’ of Labour’s position in response to these influences which sought to ‘accept key reforms initiated after 1979, while ensuring the [Labour] party did not turn its back on social solidarity and Keynesian welfarism’ (Diamond, Liddle and Richards, 2015, p.52). The specific characteristics of Labour’s brand of Third Way politics are explored in the following section.

4.3.3 - New Labour’s Conception of the Third Way

For New Labour the Third Way signalled a renewed commitment to ‘redrawing the boundaries’ between the state, market and society by developing better partnerships
between them to tackle the ‘welfare equals state’ mentality (Field, 1998 quoted in Powell, 2000, p.50). It promoted a greater devolution of responsibility to non-government organisations and stood accused of emasculating state bureaucracies because it no longer believe[d] in the power of politics as a central force for change’ (Freeden, 1999, p.42). It argued that reform of the state ‘should be a basic orienting principle of Third Way politics’ (Giddens, 1998, p.78) and fostered a pluralistic commitment to decentralising power and strengthening non-state, civil society, organisations. It was also partly an act of political statecraft; an attempt to avoid reverting back to the statist approaches associated with Old Labour.

Through its pursuit of the middle ground the Third Way signalled a drive for a dynamic economy resolved with a commitment to a form of social solidarity (Newman, 2001, p.40). It called for a rebalancing of power between the centre and local governance with Italian Prime Minister Massimo D’Alema arguing that the Third Way requires, ‘less national government, less central government, but greater governance over local processes’ (quoted in Giddens, 2000, p.5). The Third Way advocated, at least rhetorically, an approach to government in which the state acted as an enabler, reacting against the traditional top-down, statist approaches of previous centre-left governments. It represented a ‘deepening and widening of democracy’ where Government could foster relations with agencies in civil society to promote ‘community renewal and development’ (Giddens, 1998, p.78) without recourse to central command and control.

4.3.3.1 - Competition in Public Service Delivery

Following the erosion of the Keynesian welfare settlement and the decade of neo-liberal reforms which followed under Thatcher, New Labour increasingly turned to alternative relations between the state, markets and networks for the delivery of public goods. The Third Way was all about ‘combining public and private provision in a new partnership for the new age’ (DSS, 1998, p.19; see also Powell, 2000, p.50) with Labour seeking to abandon the ‘out of date’ principles of state ownership (Powell, 2000, p.43) and ‘coordination through hierarchy’ (Newman, 2001, p.104). New Labour’s preference for variegated forms of service delivery was compounded by Third Way-inspired convictions, that ‘public organisations would benefit greatly from
the bracing effects of competition and the entrepreneurial spirit’ (Shaw, 2007, p.184).
New Labour envisaged a new ‘sensitivity and responsiveness’ to consumer preference which it believed was more ‘commonly found’ among commercial enterprise (Shaw, 2007, p.183). It was in some ways an accommodation of Thatcherism.

New Labour’s conception of the Third Way as advocating healthy competition did not, however, stop at the promotion of non-state actors in the delivery of public goods. Blair’s government sought to undermine the privileged position of the public sector in service delivery and called into question its effectiveness (Shaw, 2007).

4.3.3.2 – From Statism to States, Networks and Markets

Freeden (1999, p.42) argues that New Labour had lost its faith in the ‘power of politics’ and the public sector to deliver genuine change from the centre. The effectiveness of public services was called into question whilst the role of ‘alternative providers [in securing] greater choice’ and the need for ‘devolution to the front-line’ were championed (Blair 2001, for more see Richards and Smith, 2004, p.116). This is not to say that Blair’s government did not retain any rhetorical commitment to the maintenance of a strong public domain but, rather, that it harboured increasingly overt ‘preference[s] for the private sector’ to do the heavy lifting (Shaw, 2007, p.181). Public service providers were alternatively described as ‘producer cartels’ possessing ‘narrow personal and institutional interests’ (Shaw, 2007, pp.182-3).

The Third Way stood for a reassessment of the implementation of public goods; how they should be delivered and by whom. It suggested a much more flexible, fluid approach to service delivery focussing on what was most appropriate at the street level (Faucher-King and Le Galès, 2010). Blair argued that public service modernisation had to start from the principle of increased choice and a greater breadth of providers beyond the traditional public sector:

[We] require an end to the one size fits all mass production public services […] the purpose of our 21st century reforms must be to treat [people] as individuals […] we can’t make that change by more bureaucracy from the centre […] it means putting power in the hands of the patient or parent’ (Blair, 2002)
For New Labour the old one size fits all model was to be superseded by a consumer friendly approach sensitive to choice in public services (Coates, 2005). The Party was divesting itself of its state-first mentality (demonstrated by the removal of Clause IV) and was replacing it instead with a pragmatic approach to the delivery of public goods where what matters was what worked (Blair, 2005).

New Labour inverted the concept of public service by arguing that it should mean ‘service to the public, not by the public’ (Shaw, 2007, p.183) and re-cast it as the ‘characteristic of an interaction’ (Taylor, 2006, p.22; see also Shaw, 2007, p.183), in which any able provider could participate. To this end the Third Way centred on the claim that the relationships between state, society and the market had to change. The onus would now fall on those who advocated ‘big government’ to ‘demonstrate its superiority over the market’ with an implicit accusation that the public sector needed to be fixed (Cronin, 2004, p.466). It called for the ‘rediscover[y] of an activist role for government’ that unleashed the private and third sectors to deliver, as partners, on its policy goals (Cronin, 2004, p.427) through a mixture of state, networks and markets; outlining the role of the enabling state.

4.3.3.3 - The Enabling Role of the State

Blunkett and Richards (2011) identify the fading impact of communitarian ideas on New Labour’s conception of the Third Way. They argue that from the 1990s the impact of this tradition became evident in a range of speeches and communications by senior figures within the party with the emphasis on ‘building civic partnerships between the community and the state’ becoming increasingly apparent (Blunkett and Richards, 2011, p.180). Teasdale (2010, p.10) argues that such communitarian rhetoric attempted to ‘plot a middle ground beyond traditional statist social democracy and neo-liberalism’ drawing instead on ‘a more differentiated policy model highlighting the role of policy networks and communities’. Whilst these explicitly communitarian influences are said to have faded after the election of New Labour in 1997 the principles of the ‘enabling state’ which sought to empower actors beyond the centre ‘manifested themselves in various government reforms’ (Blunkett and Richards, 2011, p.181). This focus on non-state (and particularly third, or ‘civil society’) sector
organisations as an alternative to public and private provision became an explicit theme associated with the Third Way under Labour.

4.3.3.4 - Civil Society in the Mixed Economy

Such reforms gave explicit support to the inclusion of Third, and Civil Society, sector organisations in the new mixed economy. New Labour spoke of the need to ‘find ways of bringing the third sector into its reforms of the welfare state’ (Powell, 1999, p.20). They rejected the ‘command and control of Old Left and competition of New Right’, favouring cooperation and partnership as embodied in the Third Way (Powell, 1999, pp.20-1).

Where social democrats in previous decades had become fixated on the ‘specific means of realising their values’ the Third Way would pursue similar policy aims but with ‘more modern means’ (Cronin, 2004, p.426). Its practitioners would make ‘great[er] use of the market where it functioned effectively,’ and recourse to the state ‘more sparingly and strategically […] rely[ing] more on community and civil society’ (Cronin, 2004, p.426). By 1997 with ‘state intervention’ becoming ‘more outdated’ (Cronin, 2004, p.426) the third sector was increasingly looked to as a means by which to devolve responsibility for service delivery to non-government organisations that formed a middle way between state and market.

Alcock (2010) describes how an ‘enhanced role for voluntary action within the Third Way’ was championed early on by Blair who, in a speech to the NCVO, described ‘the most successful societies’ as being those prepared to ‘harness the energies of voluntary action, giving due recognition to the third sector’ (Blair, 1999). This propagation of civil society and its role in service delivery created a new space for a ‘proactive [third] sector as a tailor-made alternative to both the state and the market’ (Alcock, 2010, p.5). Civil society and the third sector played a significant role in Labour’s ideational conceptions of the Third Way and the development of a mixed economy in the delivery of public goods. Within this SE represented an ideal fit that promised to combine the efficiency of the market with the focus on social value of the voluntary sector. The Third Way was principally concerned with seeking out an alternative to either statist or neo-liberal approaches to government. What then became
a part of that process was looking for alternatives with one of the core of these being the role of SE in public service delivery.

4.3.4 - New Labour’s Vision for SE

Labour’s 1997 election victory is described as the turning point for SE in the UK (Ridley-Duff and Bull, 2016; Somers, 2013; Grenier, 2009). SE came to be ‘consistently on the lips’ of major figures within New Labour and their ‘influencers’ (Grenier, 2009 p.181, for more see Leadbeater, 1997) as the Third Way helped to form the policy context in which SE flourished (Grenier, 2009, p.178).

In that first formal strategy published in 2002 Patricia Hewitt, then Secretary of State at the DTI described SE as ‘a key component in the process of modernising and reforming our public services’ (DTI, 2002, p.6). She argued that the ‘conflict between […] creat[ing] a strong and inclusive society and encouraging enterprise and entrepreneurship’ could be overcome by ‘dynamic, progressive businesses that […] have the advantage of being able to draw upon best practice in the voluntary sector, as well as the entrepreneurial flair that exists in the best of our companies’ (DTI, 2002, p.6). SE was thus presented as a perfect fit with the Third Way’s attempt to reconcile the demands of ‘market driven competition with social aims and public good benefit’ (Arthur et al 2008).

Given this apparent enthusiasm for the SE agenda, questions arise as to why it took Labour five years to launch the first formal strategy for SE under the department of Trade and Industry? With one of the crucial questions of this thesis being concerned with the fate of SE under New Labour, this leads me to ask: to what extent it was ever really at the heart of the Third Way?

The 2002 strategy offered a simple definition of SE which established two basic criteria for discerning its activity. It must firstly possess a clear social purpose and secondly, exercise a limited distribution of profits. This definition remained in use until at least 2016 (Cabinet Office, 2016).
By 2003, Government had fleshed-out which activities were considered to fall within that definition. The list included: the sale of ‘social or environmental goods and services’, trading to ‘provide or cross-subsidise social or environmental goods and services’ and using ‘processes or ways of working that have significant social benefit’ including fair trade and the employment of vulnerable groups (Bank of England, 2003, p.6). The Bank of England’s *The Financing of Social Enterprises* also laid the ground for the capitalisation of SE arguing that ‘a [SE] will therefore have to demonstrate its financial sustainability, rather than its social outputs, in order to access mainstream commercial finance’ (Bank of England, 2003, p.6). By 2006 SE had been described as ‘part of the ‘third sector’ with a ‘key role to play in achieving many of [government’s] goals, including overcoming social injustice and exclusion’ (OTS, 2006a, p.10).

SE was presented by Labour as a new middle that could forge a path between the strong social ethos of public service and the entrepreneurial drive and business acumen associated with private enterprise (DTI, 2002, p.5). To this end, Blair argued that we can establish ‘entrepreneurial organisations – highly responsive to customers and with the freedom of the private sector – but which are driven by a commitment to public benefit rather than purely maximising profit (DTI, 2002, p.5). SE was thus presented, at least rhetorically, as a means by which to devolve responsibility to front-line organisations that represented a middle-way through the ternary of state, society and markets. These conceptions of SE are unsurprising given the Third Way’s apparent commitment to ‘redrawing the boundaries’ between the state and civil society (Field, 1998 quoted in Powell, 2000, p.50) and devolving power away from the centre. Despite the pluralistic commitments embodied in the Third Way and approaches to SE, however, the extent to which such decentralisation was achieved in practice continues to be questioned by critics.

4.3.5 – *Mapping New Labour*

Having established above the ideational characteristics of the Third Way project and New Labour’s approach to SE policy, the following section explores how the secondary literature has described New Labour’s tenure in government. The primary research set out in the rest of the thesis will then revisit this theme to offer a more forensic and nuanced evaluation. This section argues that despite the rhetoric of
shifting power back to the localities New Labour, once in office, is portrayed as having retreated to a mantra of command and control, enhancing the capacity and dominance of the centre (Taylor, 2000; Gamble, 2006).

For Evans ‘the clammy hands of centralism’ were quick to resurface after a brief spell of electoral positioning on constitutional reform, with constitutional radicalism appearing ‘less attractive’ to Labour once in power (Evans, 2008, p.81). Following its successful election, the Party struggled to actualise the Third Way’s commitment to decentralising public service delivery:

Since Labour was elected, it has not displayed wholesale willingness to relinquish power in the way it promised prior to April 1997. Changes such as devolution, freedom of information and electoral reform have evolved within the context of maintaining the executive power which was so useful to the Thatcherite project [...] New Labour is trying to reform the constitution and the state without surrendering the powers of the state (Richards and Smith, 2001, p.166).

Rather than delivering a radical decentralisation of autonomy to civil society, therefore, New Labour is seen as having limited challenges to ‘conventional constitutional wisdom’ (Evans, 2008, p.80). Any reform that threatened central government’s ability to steer is described as being ‘diluted’ in order to counter its potential threat (Evans, 2008, p.80).

Two categories of reforms are described as taking place under New Labour after 1997 (Diamond, Richards and Smith, 2016, pp.43-5). The first is concerned with ‘wiring up the British state and modernising government’ and the second with strengthening the ‘state-centric core executive’ through the reassertion of ‘command and control’. The first of these outlines the approach to joined-up government through next step agencies and the Modernising Government White Paper of 1999. It argues that sources of external advice including tsars, taskforces, ad hoc bodies and the newly empowered SpAds constituted ‘attempts to consolidate the centre’s grip over the machinery of state’ (Diamond, Richards and Smith, 2016, p.4). The second element of the reform programme is said to have introduced an array of Prime Ministerial units including the Delivery Unit and Strategy Unit as well as the doubling of the Policy Directorate. The last of these is described as ‘a mechanism for ensuring that public services did
what the government wanted’ with Departmental successes measured through centrally determined Public Service Agreements (Diamond, Richards and Smith, 2016, p.45-47).

Diamond, Richards and Smith list four key changes which they argue took place under New Labour: the change in size and influence of the centre, a more empirically informed policymaking process, greater use of performance indicators and the shift in ‘the structure of dependency’ with central government having a greater direct contact with front-line providers (Diamond, Richards and Smith, 2016, p.47)

The increased centrality of the state under the Blair and Brown Governments is described by Matthews (2013) as a response to the perceived fragmentation of the state. She argues that such fragmentation weakened the ability to successfully govern from the centre and that, in response, New Labour shored up their strategic capacity by cohering ‘delivery partners around shared goals’ (Matthews, 2013, p.75). Diamond similarly argues that the Third Way constituted a response to the ‘weaken[ed …] authority of the ‘command-and-control’ state’ (Diamond, 2014, p.76). In order to address the changing nature of which, New Labour’s governing agenda sought to transcend both the Old Labour response of the command state and the New Right mantra of the minimal state (Diamond, 2014, p.76).

This constitutional conservatism is specifically linked to Labour’s historical complicity with the BPT, discussed in Chapter Two. It is argued that New Labour sought to work within the confines of the political tradition, so rather than challenge the dominance of the Westminster model it helps to preserve (Marsh and Hall, 2007; Hall, 2011). Labour has drawn from within the boundaries set by the model to resolve problems of fragmentation, the loss of capacity to command from the centre and resultant implementation failure (Richards and Smith, 2005, p.7). Blair set out his party’s vision of the Third Way as a means by which to retain direction from the centre whilst equally developing the role of non-state, civil society, organisations in the delivery of public services:

The truth is that freedom for the many requires strong government. A key challenge of progressive politics is to use the state as an enabling force,
protecting effective communities and voluntary organisations and encouraging their growth to tackle new needs, in partnership (Blair, 1998).

Whilst the Third Way, therefore, encouraged the development of the role of civil society in the delivery of public services it did not presume this would be a self-generating phenomenon that could be left to emerge unaided. Rather, it supposed a central role for Government which ‘must play a major part in renewing civic culture’ (Rose, 2000, p.1405). Blair further acknowledged the importance of Government’s role in structuring civil society in his introduction to Social Enterprise: a Strategy for Success (DTI, 2002, p.5) where he announced Government’s intention to ‘do all it can […] to provide a more enabling environment’ for civil society to develop. When in office, Labour therefore continued to sustain the notion of a highly centralised, hierarchical and top-down approach to governing, directly at odds with the more radical pluralistic rhetoric of their years in opposition, especially those exemplified in the early 1990s (Newman, 2001, p.5).

Blunkett and Richards further attribute the unfulfilled potential of New Labour’s radical agenda to the dominance of the BPT which, they argue, led the Party to ‘devolve mechanistically’ rather than through genuine ‘pluralistic engagement’ (Blunkett and Richards, 2011, p.187). They posit that a dominant Treasury fronted the prioritisation of macroeconomic strategy and put the emphasis on economic stability leading to a public policy programme managed from the centre in a ‘traditional hierarchical and elitist manner’ (Blunkett and Richards, 2011, p.182; p.184). Such control manifested itself in the form of centrally set performance targets and public service agreements and regulation which, even where devolution had taken place, meant that non-government actors ‘turned back to the centre’ for direction (Burnham, 2001, p.140; Blunkett and Richards, 2011, p.187). New Labour’s urgency to be seen to deliver on centrally determined agendas, therefore, appears to have overshadowed their initial commitment to ‘less central government’ and greater devolution of power to non-state actors.

4.3.6 – Concluding the Third Way
This section has assessed the gap between the ideational underpinnings of the Third Way and accounts of New Labour’s time in office as set out in the secondary literature. It explored Labour’s claims to have forged a new middle between ‘neo-conservatism’ and ‘state socialism’, to have instilled a ‘radical constitutional reform agenda’ and ‘transferr[ed] power back to localities’ (Diamond, Richards and Smith, 2016, p.48). It has argued that despite these claims the secondary literature presents a reality of New Labour’s time in office that is characterised by its retreat to traditional methods of command and control. Rather than empowering non-state organisations, it was described as enhancing the capacity and dominance of the centre over the peripheral actors it sought to shape and direct.

The secondary literature assessing the Third Way describes how, in practice, New Labour sought to maintain the executive power of the centre. It reneged on key reforms designed to devolve government to the regions, deliver electoral reform and make government more transparent (Richards and Smith, 2001). They expanded the capacity of the core executive, developed the use of performance indicators and formed direct relationships with front-line providers that by-passed intermediaries (Diamond, Richards and Smith, 2016). They coordinated delivery partners around socially determined policy aims (Matthews, 2013) and developed the enabling agenda to shape the growth of civil society (Rose, 2000). Whilst they outwardly advocated ‘redrawing the boundaries’ between states, networks and markets New Labour retained the dominance of the core executive and its firm guiding hand on the development and operation of actors delivering its policy goals. As far as the secondary literature is concerned NL did not, in practice, create a genuinely enabling environment in which SE might flourish. This thesis will ask if this is truly the case and if so, why?

The following section takes the ideas explored above and considers them under the auspices of the Coalition government’s Big Society, seen as an ideational heir to the Third Way (McAnulla, 2010; Bulley and Sokhi-Bulley, 2014).

4.4 - Cameron’s Conservatives: the Big Society

Following on from the Blair and Brown Government’s embrace of the Third Way, the Coalition’s Big Society agenda is widely credited with having made its first substantial
appearance during his Hugo Young memorial lecture in November 2009 (Evans, 2011, p.164). Here, he set out a vision for government as an enabler, helping civil society to expand into areas that had previously been dominated by ‘state action’ (Cameron, 2009 A). In this sense the Big Society was established as an alternative to big government which he argued had reached a point under Labour where it was ‘now inhibiting, not advancing the progressive aims of reducing poverty, fighting inequality, and increasing general well-being’ (Cameron, 2009 A). Like the Third Way, it appeared to represent an attempt to recalibrate the state; reducing central spending whilst maintaining its commitment to the welfare settlement and offering a break with Thatcher’s laissez-faire approach of the 1980s.

It was claimed that the Big Society developed as an alternative to Labour’s ‘expanded welfare state’ to act as a guiding philosophy where the ‘leading force for progress is social responsibility, not state control’ (Cameron quoted in Smith, 2010, p.828). In Cameron’s last Party Conference speech before becoming Prime Minister he dedicated an entire section to decrying Labour’s record of ‘big government’ (Cameron, 2009 B). He declared that he would ‘tear down’ the bureaucracy which had become: ‘too big, did too much and undermined responsibility’ (Cameron, 2009 B). He identified ‘big government [as] failing to solve [social] problems’ and having ‘helped cause them by undermining the personal and social responsibility that should be the lifeblood of a strong society’ (Cameron, 2009 B). The Big Society was presented, then, as the antithesis of the top-down, highly centralised command and control nature of New Labour. It would be instead ‘all about giving people’ and non-government actors ‘more power and control to improve their lives and communities’ (Cameron, 2011a). It was in this context that the Big Society was established.

The following section explores the rhetoric of the Big Society and compares it against the reality of its delivery under the Coalition government from 2010 to 2015. It achieves this through an assessment of the established secondary literature. The section begins by exploring characterisations of the Big Society as a recalibration of the British state; analysing the rhetoric surrounding its programme of redistributed power to civil society. It examines claims that the Big Society was conflicted and uncertain and explores how central government both directed and shaped the emerging role of civil society organisations in the delivery of public services. Finally, it explores
the extent to which the rhetoric of the Big Society compares against the reality of the Coalition’s policy agenda as described by the secondary literature. In so doing it opens up questions regarding the extent to which Government remains the key player in a fragmented, yet hierarchically organised, polity and asks why this might be so?

4.4.1 - Roots of the Big Society

By 2010 the Conservative Party had been in opposition for 13 years; its longest absence from power since 1922. This period of unprecedented electoral failure promoted a series of existential crises that needed to be overcome in order to start the long march back to government (Bochel, 2011). These major challenges included: the ideological ‘dominance of Thatcherism’, the need to respond to New Labour and the socio-economic change that had occurred during its reign and the need to adapt to globalisation within the context of financial crisis and economic downturn (Bochel, 2011, p.11; Ellis, 2010; Garnett, 2010). Despite a succession of leaders and approaches the Conservative Party made little electoral progress prior to 2010, reclaiming less than 2% of the popular vote from 1997 – 2005.

By this time critics like Blond (2010) were asserting that the Tory Party was ‘badly [in] need [of] a political economy that can match the social analysis provided by Duncan Smith’s ‘Breakdown Britain” (Blond, 2010, p.33); one that revered neither state nor the market as the definitive answer to society’s problems. Cameron sought a revised ideational agenda for the Conservatives as early as March 2005. During his Keith Joseph memorial lecture of that year he argued that Thatcher’s successors had become ‘obsessed with ideological purity’ (Bochel, 2011, p.110) arguing that the Tory Party should be ‘pragmatic, not ideological […] sceptics, not visionaries’ (Cameron, 2005). The modernising Conservatives were seeking a ‘common ground’ that lay between the extremes of Old Labour and the New Right; a trend that would continue during the run up to 2010, forming part of a wider dialogue taking place within the Tory party.

Prominent contributions to this debate included those from Blond (2010) and Norman (2010). Blond argued that ‘British civil society, which is the source and well-spring of our culture, [had] been flattened by the unleashed authoritarianism of the state and the
unrestricted freedom granted to the market’ (Blond, 2010, p.7) He outlined the need to re-structure the political system in order to ‘put a virtuous society at the centre’ (Blond, 2010, p.239). For Blond, despite a real-terms funding increase of 55%, public service productivity had continued to fall and ‘funding [was] not enough’ to solve the problem, rather ‘we need to harness two powerful forces: the insight and dedication of front-line workers, and the engagement of citizens and communities’ (Blond, 2010, p.239).

Norman similarly contends that the state had become too large arguing that he is ‘deeply concerned’ about its ‘current ability to meet social needs and to support British society’ (Norman, 2010, p.4). For Norman the Big Society was a philosophy; an ‘attempt to engage with the twin challenges of social and economic decline, and to move us towards a more connected society’ (Norman, 2010, p.196). He argued that, whilst not the ‘whole of what is intended’ by the Big Society, ‘the third sector is the home of vast innovation and social energy, as is the private sector, and that these resources need to be more widely and intelligently deployed’ (Norman, 2010, p.201). For both of these writers the Big Society presented a contribution to debates within the wider context of conservatism. They presented a challenge to Conservative ideology up to the 2010 general election and helped to establish a platform from which Cameron’s Coalition Government could launch the Big Society.

4.4.2 - Cameron’s Vision for the Big Society: a Challenge to the Status Quo?

In the summer of 2010, the Conservatives set out their three pillar strategy for the Big Society with the publication of Big Society Not Big Government: Building the Big Society. In it they argued for the reform of relations between the state, society and the individual; to empower local communities to do more for themselves and initiate a ‘lasting culture change’ that would embed the principles of ‘responsibility, mutuality and obligation’ (Conservative Party, 2010, p.1).

Cameron defined three key strands of the Big Society agenda which he sought to pursue in government. These consisted of: i) a commitment to support the growth of social action through fostering a ‘new culture of voluntarism, philanthropy [and] social action’ in the UK. ii) The reform of public services in order to ‘open [them] up to new
providers’ such as ‘charities, [SEs] and private companies’. iii) The empowerment of local communities to put neighbourhoods ‘in charge of their own destiny’ (Cameron, 2010a).

These core tenets of the Conservative’s vision establish two distinct objectives for the Big Society agenda. One sought to enhance the role of *individuals and local communities* by instilling a mantra of obligation and individual responsibility (Conservative Party, 2010, p.1). The other focussed on the role of *civil society organisations* in the ‘running of public services’ (HM Government, 2010, p.2) with a specific appeal to the social economy of charities and SE (Conservative Party, 2010, p.1).

Cameron claimed to have launched this ‘major redistribution of power’ (Cameron, 2009a) to combat the excessive centralisation of New Labour’s ‘big government’ agenda which ‘weakened’ and ‘undermined communities’ (Conservative Party, 2010, p.3). The Conservative Party argued that Labour’s ‘top-down bureaucracy’ had effectively ‘crowded out social action and eroded social responsibility’ (Conservative Party, 2010, p.3) and set out to return power to civil society in an act of political statecraft. This, they proposed, constituted the ‘biggest, most dramatic redistribution of power from elites in Whitehall to the man and woman on the street’ (Cameron, 2010a) and would put social change in the hands of local communities (Alcock, 2012, p.4). Cameron went on to emphasise this vision in his speech to the civil service in 2010:

> If I could describe in one line the change we plan for the way we approach public services, and reform generally, it's this: [...] we want to turn government on its head, taking power away from Whitehall and putting it into the hands of people and communities. We want to give people the power to improve our country and public services, through transparency, local democratic control, competition and choice (Cameron, 2010b).

From his election in May 2010 to the end of 2011 Cameron made a total of 146 direct references to the Big Society across 29 speeches. He repeatedly presented the Big Society as a civic culture intended to radically decentralise power to an active society in the provision of welfare and publicgoods. He argued that ‘for years, there was a basic assumption at the heart of government that the way to improve things in society
was to micromanage from the centre […] but this just doesn’t work’ (Cameron, 2010a). His proposed reforms would put ‘power and responsibility in the hands of every citizen’ (Cameron, 2011b) and ‘break […] apart the old top-down way of doing things’ (Cameron, 2010c).

Big Society rhetoric therefore envisaged a considerable decentralisation of state power with an enhanced role for civil society organisations, including SE, in the delivery of public services (Pattie and Johnston, 2011, p.405; Taylor-Gooby and Stoker, 2011). Combined with four decades of commitment to reducing spending on welfare, the dramatic expansion of civil society’s role in the delivery of public services signalled a potentially seismic shift in the status quo of state/society relations, in which SE would play a significant role.

4.4.3 – The Coalition’s Vision for SE

For Cameron’s Government, SE offered an innovative way to deliver public services in the ‘era of the Big Society’ (Teasdale, 2011, p.2). It was tightly interwoven with rhetoric calling for ‘a different model’ from that of state-centric delivery arguing that whereas ‘all that bureaucracy […] meant nothing ever happened [under] giant state monopolies’ SEs were well placed to ‘come in and provide a great service’ (Cameron, 2010d).

For the Conservative-led Coalition, taking office in May 2010, SEs had ‘the knowledge, human touch and personal commitment to succeed where governments often fail’ (Cameron, 2013). They were defined by ‘what they do’: namely ‘generating social value in a way that is financially self-sustaining’ whilst being ‘prepared to access external investment to maintain and scale their impact’ (Cabinet Office, 2011, p.11).

In 2011, the first definition of SE to be published under the Coalition government declared that SEs should be committed to ‘combining social mission with sustainable business models’ (Cabinet Office, p.11 2011). They were described as capable of ‘amazing things’; ‘supporting the most vulnerable and disadvantaged, providing employment in marginalised communities [and] improving the environment’ (Cabinet...
Office, 2011). SE held a revered position under the Big Society in which they were seemingly viewed as an effective means to extend the private provision of public goods whilst retaining the ‘human touch’ associated with not-for-profit providers (Cameron, 2014). Despite this overt commitment to growing the ‘vital’ role ‘[SEs] play in our economy and local communities’ (Cameron, 2014) limited progress appears to have occurred under the Coalition or subsequent Conservative Government questioning the extent to which they were truly in the vanguard of the Coalition’s policy agenda.

4.4.4 - Big Society: Comparing the Rhetoric to an Analysis of the Secondary Literature

Having explored the rhetoric of the Big Society and the approach to SE policy under the Coalition Government the following section examines the analysis set out in the secondary literature. It argues that despite a rhetorical commitment to ‘rebalancing the relationship between the state and the individual’ (May, 2010) the Conservative-led government retreated to a traditional command and control approach in the face of financial crisis. Far from posing a radical challenge to the status quo, it suggests that the Big Society resulted in a strengthening of the centre and an abandonment of pre-election commitments to devolve power to communities and non-government organisations (Cameron, 2010b). It is argued that the realities of financial crisis would ultimately provoke a difficult balancing act between central Government’s desire to reduce public spending and continued high levels of popular support for the welfare state (Defty, 2014).

4.4.5 - Big Society: Death by a Thousand Cuts?

The Big Society has been described as a cynical attempt to balance the existing welfare settlement against the Government’s desire to reduce public spending (Kisby, 2010; Corbett and Walker, 2013) in the context of financial crisis management. Alderwick (2012, p.24) argued that it constituted an attempt to maintain the neo-liberal consensus that, prior to Brown’s Keynesian response to the 2008 financial crisis, typified the economic strategies of both New Labour and the Conservatives. It attempted to achieve this by fostering an increased role for civil society in the provision of public
goods so as to both reduced overall central spending on services and mitigate public expectations for ‘high level[s] of state provision in a number of areas’ (Defty, 2014, p.22). Such a move was reminiscent of the Third Way ‘insight’, described affectionately by Cameron as the ‘twin focus on social justice and economic efficiency’ (Cameron, 2006; see also Bale, 2010, p.296). The Conservatives were seeking to balance the maintenance of the welfare settlement against the desire to reduce the structural deficit through austerity policies:

Everyone in the country is going to have to try and do more for less because we have this horrific budget deficit we’ve inherited […] but at the same time should we be trying to create the Big Society where we all do more to strengthen our society? Yes we should (Cameron, 2010e)

Blond (2011) argued that this association with cuts and the politics of the deficit reduction was ‘tragic’ for the fate of the Big Society. He described how ‘at the Treasury […] they regard [it] with amused indifference’ pursuing instead ‘Thatcherism redux with salami slicing of services and pushing cuts out to the front line’. Kisby (2010) argued that these cuts to public services were undermining the foundation on which the Big Society should have been built. Whilst more was being expected of community groups in key areas such as rape crisis centre provision, debt support and afterschool care, key funding available from local authorities and NHS partners was declining in line with their own reducing budgets (Kisby, 2010, p.488)\(^8\).

To this end Corbett and Walker (2010, pp.462-3) argued that the Big Society was ‘ultimately lightweight’ and damaging to the fabric of British society and the welfare state.

As the Treasury imposed strict austerity targets across all non-protected departments so the championing of civil society in the design and delivery of public services became an increasingly marginalised priority of government (Blond, 2011). Macmillan (2013) described how the Office of the Civil Society (OCS), replacing the Office of the Third sector (OTS) in 2010, was intended to build the capacity of the

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\(^8\) In 2014 the Local Government Association (LGA) reported that 60% of authorities believed that funding gaps could no longer be supported through future efficiencies alone with reductions in services increasingly necessary. They argued that ‘the top down system does not give places sufficient flexibility needed to meet the challenge by using the relative strength of their local economy and working with partners to reform public services’ (LGA, 2014).
sector in three key areas. The first was to make it ‘easier to run voluntary organisations’; the second to increase the number of organisations working with the state and the third, to get ‘more resources into the sector’ (Cabinet Office, 2010a). Despite the central role of the new office in coordinating and spearheading the agenda for civil society across government, the OCS was eventually ‘reduced to being a small unit at the head of what amounts to a marginal social movement’, subject to budget cuts of 60% (Macmillan, 2012, p.194). What began as a key priority of the Coalition administration appears to have fallen victim to Treasury-led austerity policies that saw the redirection of both funding and focus from the Big Society agenda.

The pressure of the Government’s austerity agenda led to what Blond termed the abandonment of a ‘once-in-a-generation chance to redefine conservatism as something other than a reductive market liberalism’ (Blond quoted in Elliot, 2013, p.5). A Conservative-led government would ultimately struggle to convince the public that its concern for welfare matched its desire to reduce public expenditure; consigning the Big Society project to dismissal from those who believed it to be nothing more than a ‘cover for cuts’ (McSmith, 2010).

Keen to ensure that the government was not seen to be ‘stepping back and hoping for the best’ when it came to public service reform, Cameron proposed an ‘active role’ for government in ‘catalys[ing] and galvanis[ing] social renewal’ to ‘remake’ society (Conservative Party, 2010, p.1). As such the Big Society is viewed by critics not as a radical reform of state/society relations but a continuation of the traditional command and control approach to public service delivery.

4.4.6 – The Big Society’s Continued Commitment to Central Command and Control

Despite the rhetorical commitment to decentralising power from Whitehall to individual citizens and non-government organisations, the Big Society was described as having little long-term impact on the practice of government (Fenwick and Gibbon, 2017). Rather than freeing civil society to deliver services unimpeded by state intervention it continued to mark the dominance of the centre in the delivery of public services:
I believe that in general, a simplistic retrenchment of the state which assumes that better alternatives to state action will just spring to life unbidden is wrong. Instead we need a thoughtful re-imagination of the role, as well as the size, of the state (Cameron, 2009a).

For the Coalition, therefore, it was the responsibility of Government to shape the development of civil society’s role in the delivery of public services (Cabinet Office, 2010 B, p.1). The Big Society was, at least on face value, not about ‘roll[ing] back the state’ but about actively ‘trying to help build’ the environment in which SEs, charities and voluntary organisations can ‘deliver’ innovative public services (Conservative Party, 2010, p.1). Whilst it set out to free non-state actors, the Big Society always retained an allusion to central control with the Conservatives arguing that a directing role for the state would remain essential (Conservative Party, 2010, p.1). Government was rhetorically advocating the devolution of autonomy to an emerging social economy whilst seeking to direct its development.

These counter-narratives led to confusion over what the Big Society really meant for the balance of state/society relations. Smith (2010, p.829) describes how, among commentators and practitioners, ‘there was a feeling that the big society was not sufficiently clear or distinct’ and Bulley and Sokhi-Bulley (2012, p.454) refer to an academic community ‘baffled’ by the concept’s vagueness.

The Big Society is described as enduring a history of ‘relaunches and constant reiteration to maintain momentum in the midst of doubt’ (Macmillan, 2013, p.5). Macmillan (2013, p.10) reports the third sector was widely concerned that Government had not ‘the faintest idea of where they were going or how they were going to get there’. Even within government, key figures such as Tim Loughton bemoaned how ‘most people’ could not define the agenda ‘let alone the unfortunate ministers who have to articulate it’ (Tim Loughton, 2010).

Despite the Big Society’s initial commitment to rebalancing state/society relations in public service delivery the Conservative-led government appears to have retreated to a traditional command and control approach in the face of financial crisis. Far from bringing the ‘mantra of government needing to do less’ to the mainstream (Scott,
2011) it is described as having strengthened the centre; abandoning pre-election commitments to devolve power to communities and non-government organisations.

4.4.7 – Concluding the Big Society

Taken on face value, the Big Society sets out a vision for central government as an enabler, helping non-state, civil society organisations, to expand into areas that had previously been dominated by ‘state action’ (Cameron, 2009a). It was established as an alternative to big government (Cameron, 2009a) and argued for the reform of relations between the state, society and the individual so as to empower local communities to do more for themselves and initiate a ‘lasting culture change’ that would embed the principles of ‘responsibility, mutuality and obligation’ (Conservative Party, 2010, p.1). Despite these rhetorical commitments, the secondary literature portrayed the Big Society as both less certain and less radical a divergence from the status quo of top-down, centralised service delivery. Former advocates turned on the Big Society as they accused it of failing to offer an alternative governance pathway in the face of command and control government and continued top-downism (Blond, 2011). A crucial question then emerges: to what extent do these characterisations represent an accurate portrayal of the fate of the Big Society?

The reversion to type these accounts propose, suggests an environment in which civil society, and SE more specifically, remains subject to the very constraints the Big Society supposedly set out to challenge. Rather than fostering, nurturing or enabling SE, the Big Society agenda appears to have constrained its development through a culture of centralised control, use of targets and a lack of trust in non-state actors. This thesis examines the dilemmas that these characterisations raise. It asks if the Big Society actually represented a continuation of a traditional top-down approach to governance and if so, why did this happen despite the considerable rhetoric to the contrary?

This section began by assessing characterisations of the Big Society as a recalibration of the British state; analysing the rhetoric surrounding its programme of redistributed power to civil society. It explored claims in the secondary literature that the Big Society was conflicted and uncertain and explored how competing narratives cast
central government as directing and shaping the emerging role of civil society organisations in the delivery of public services. In so doing it opened up questions around the extent to which the rhetoric of the Big Society matched the reality of the Coalition’s tenure in office. It exposed a crucial dilemma that exists in the form of a gap between the rhetoric and reality of the Big Society agenda and raised questions around the impact this may have had on the development of SE under the Coalition Government?

Understanding how these agendas impacted on the development of SE in the UK is crucial for this thesis. It sheds light on the way the Labour and Coalition governments approached the emergence of SE, making it central to their governing agendas. It raises questions as to the extent to which its role was constrained under each government and asks why this may have been. It prompts us to ask if, like the Third Way and Big Society, the material reality of SE failed to match up to its ambitious rhetoric and crucially why this might be. The final section looks at these ideas through the analysis of the secondary literature surrounding the development of SE under New Labour and the Coalition governments from 1997-2015.

4.5 - SE under New Labour and the Coalition

Despite the rhetoric—with which SE was championed by both New Labour and the Coalition, doubts have been raised in the secondary literature about the extent of its wide-spread growth and bottom-up nature. If there is a disjuncture between the rhetorical presentation of SE (as concerned with the empowerment of non-state actors) and the reality as presented in the secondary literature then the question of why this might be, becomes a crucial one. This section begins by considering recent claims as to the growth of SE in the UK, suggesting that its development has been more restrained than the rhetoric of either government would suggest. It then explores arising criticisms of its conception as a bottom-up civil society-driven movement, claiming that SE remains directed and constrained by governments committed, in practice, to retaining much of the top-down approach associated with the traditional Westminster model.
4.5.1 - The Paucity of SE

Despite being so central to the rhetoric of both the Third Way and the Big Society, existing research does not appear to indicate a considerable upturn in the numbers of SEs operating in the UK between 2007 and 2013. Data drawn from the Government’s *Annual Small Business Survey* reveals an actual reduction in the proportion of those relying on public procurement as their primary income stream with their gross contribution to the economy remaining stagnant (See Table 4.1). Between 2007 and 2013, SEs grew in number by only 8000; from 62,000 to 70,000. In 2013, only 27% of these were estimated to have obtained the ‘majority’ of their trading income from the state compared to 39% in 2007. Far from demonstrating a significant upturn in the formation of SEs, as might be expected from the rhetoric employed by both parties, these figures indicate only modest increases in the number of organisations considered to be a ‘good fit’ with government definitions of SE (DTI, 2002).

**Table 4.1: The Growth of Social Enterprise – 2007-2012**

<table>
<thead>
<tr>
<th></th>
<th>2007</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Approximate number of SEs in UK</td>
<td>62000</td>
<td>70000</td>
</tr>
<tr>
<td>GVA (Gross Value Added) to UK Economy (small and medium SEs)</td>
<td>£24 billion</td>
<td>£24 billion</td>
</tr>
<tr>
<td>Number of SEs citing their primary source of income from the state</td>
<td>39%</td>
<td>32%</td>
</tr>
<tr>
<td>5 most common sectors SEs operate in</td>
<td>Training/ support, housing, education, retail/ wholesale, youth services</td>
<td>Education, Business support/ consultancy, employment and skills, Retail, social care</td>
</tr>
</tbody>
</table>

(Teasdale, Lyon and Baldock, 2013) argue that any claims to the expansion of SE in the UK are based on a myth accepted uncritically by practitioners and academics with a vested interest in establishing SE as a great success worthy of further investment and study (p.128). Rather, they argue, this ‘myth of [SE] growth’ is best explained by a

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succession of political decisions which have altered definitions to ‘reinterpret key elements of the concept in response to shifting ideologies’ (Teasdale, Lyon and Baldock, 2013, p.128). Whilst SE is increasingly prevalent in the rhetoric of both Labour and the Conservatives ‘there is little evidence to support the assumption that the numbers of [SEs] are increasing in England’ (Teasdale, 2010, p.6).

SE’s central role in the rhetoric of both governments, then, initially appears not to have resulted in the ‘radical transformation’ of the sector as had been claimed (Grenier, 2009, p.196). Rather, under three different governments, two political parties and across more than two decades, the growth of SE and its role in the delivery of public services appears to have remained limited.

4.5.2 – The Constraint of SE under New Labour and the Coalition

New Labour and the Coalition both presented SE as an alternative to the state/ market binary in the delivery of public services. Described by Miliband (OTS, 2006a) as being in the ‘vanguard’ of challenging both the private and public sector through its ‘dynamism’ and self-driven ‘can-do spirit’, SE was presented as an independent, bottom-up movement grounded in civil society. Despite this, the extent to which it is more state-directed than independent has been questioned by a number of critics concerned with the role of governments in ‘promoting and controlling’ it (Bielfeld, 2009, p.77). Somers (2013) argues that New Labour not only set out to shape the development of SE, but to constrain its potential:

The idea behind ‘state sponsored’ social enterprise was that New Labour was attempting to heavily influence the way a portion of social enterprises worked, so these organisations could deliver the Government’s policy objectives and participate directly in managing public services (p.318).

According to Somers (2013, p.61) SE should then be considered as ‘an instrument of the state’ which rather than being independent of government is instead sponsored by it. These claims are repeated by Edmiston (2015, p.28) who argues that the Coalition’s SE agenda was ‘largely driven by an ambition for incorporation: to enable social innovators to deliver public services in a way that corresponded with the […] government’s overall policy programme’. In both cases the literature describes a top-
down relationship between the state and SE, where the latter is actively constrained in order to meet government-determined ends.

Far from supporting an independent movement of civil society organisations separated from the centre, SE has been described as increasingly shaped by governments seeking to direct its work and development as an organisational form. Under both New Labour and the Coalition critics have described how SE’s political ‘construction’ in the delivery of public services (Teasdale, 2010, p.18; Cho, 2006) made it incapable of rivalling the central state as a location where services could be designed and delivered from the bottom-up.

Rather than being fostered, nurtured or enabled by either government the development of SE is presented in the limited secondary literature as being carefully managed and controlled through a culture of centralised bureaucracy, use of targets and a lack of trust in non-state actors. Both New Labour and the Coalition appear to have reverted back to command and control approaches at the expense of developing genuinely alternative governance pathways in which SE could have played a significant part. This could be because both Labour and the Conservatives operated within the confines of the BPT which helped preserve the dominance of the centre associated with the traditional Westminster model (Marsh and Hall, 2007; Hall, 2011). All governments from 1997-2015 appear to have drawn from within the boundaries of that model to resolve the perceived problems of fragmentation, loss of capacity and implementation failure (Richards and Smith, 2005, p.7) There is a gap then between the rhetoric of SE’s role in the delivery of public services and the reality of government’s under both parties. The question then arises, despite the claims of both governments, why has SE not flourished in a way that might have been expected under New Labour’s Third Way and the Conservative-led Coalition’s Big Society? In answering these questions, this thesis will seek to add more detail, nuance and ultimately analytical clarity to these debates.

4.6 - Conclusion
This chapter began by exploring existing theorisations of the emergence of SE in the UK. It then explored the ideational and material reality of the Third Way under New Labour as set out in the secondary literature. It explored its specific emergence in the UK following the collapse of the Keynesian welfare settlement and the rise of Thatcherism and asked what this meant for state/society relations and the role of civil society organisations in the delivery of public services. The discussion was then extended to look at the way SE was conceived of and presented under New Labour and the Coalition. The ideational underpinnings of the Third Way and Big Society were compared against secondary accounts of their material reality in order to ask whether central command or devolved responsibility was most characteristic of their respective governing programmes?

The chapter concluded with an assessment of the secondary literature related to SE policy in the UK in order to initially explore the extent to which it failed to live up to expectations propagated under the Third Way and Big Society agendas, asking why this might be so?

4.6.1 - What Has Been Identified?

The emergence of SE coincided with a ‘radical’ reassessment of the way public goods are delivered in Britain. Both the Third Way under Labour and the Big Society under the Coalition government attempted to plot ‘a middle ground’ that went beyond traditional statist models of social democracy and neo-liberalism (Teasdale, 2011). They emphasised instead the role of policy networks and communities and, within these, civil society and SE.

Despite claims to the contrary, both Labour and the Coalition appear to have ended up embracing fairly traditionalist models of governance which have potentially constrained the development of SE in public service delivery.

The secondary literature explored in this chapter argued that the role for SE has not come to the fore in the way that either the Third Way or Big Society suggested it could have done. Whilst New Labour resorted to traditional approaches and the Coalition’s
policy agenda became dominated by austerity politics, the development and role of SE became compromised.

In 2002, SE was hailed as a ‘radical’ way to devolve power to hybrid organisations that have ‘the freedom of the private sector – but which are driven by a commitment to public benefit’ (Blair quoted in DTI, 2002). Nearly a decade later commitments were still being made to ‘strengthen and support’ SEs to ‘help deliver [...] public service reforms’ whilst guaranteeing their freedom and independence (Conservative Party, 2010). Despite all of these commitments SE does not appear to have met the expectations of those who championed it (Somers, 2013; Edmiston 2015; Teasdale, 2010; Blond, 2011). It appears to have been desperately constrained by the reassertion of a dominant executive which does not reflect a plurality in the existing power structures of the British political system; itself underpinned by a limited liberal notion of representation and a conservative notion of responsibility (Marsh, Richards and Smith, 2001). Successive governments are portrayed as mistrusting SE, asserting a top-down approach to its management and constraining its development. The extent to which this forms an accurate depiction of what was going on remains a crucial question that this thesis seeks to address.

Throughout its analysis, this chapter has assessed the relationship between the Third Way, Big Society, their rhetorical commitment to variegated methods of public service delivery and the reality as set out in the secondary literature. It has identified a crucial gap between the ideational underpinnings and the reality of what went on in relation to SE, its growth and development as a means by which to deliver public goods. A fundamental puzzle that this thesis will engage with resides in the extent to which this gap really maps on to the reality, and if so why?

The principal questions that emerge from this discussion, then, are:

- Given the alignment between SE and the Third Way and the Big Society, how was SE conceived of and developed in practice?
- Did the rhetoric and reality of SE’s role in the delivery of public goods differ, and if so why?
These core research questions will help to form the foundation of the investigation taking place in the subsequent empirical chapters and contribute to answering the primary research question of this thesis: to what extent has SE marked a change in the delivery of public goods over time?

Having now reviewed the existing literatures which contribute to the conceptual framework of this thesis the next chapter will set out the methodology employed to operationalise the research design used to answer the key questions raised in the thesis.

4.6.2 - Analytical Framework
The previous three chapters have reviewed the BPT, Governance and policy network and dedicated SE literatures. Several key themes emerge from each of these which form the basis of the analytical framework employed in the thesis.

This section considers these themes and pulls together the key ideas emerging from each literature which will be used to help understand the case of SEs’ emergence and development from 1997 – 2015.

In the first of these the BPT literature is identified as a meta tradition which underpins the institutions and processes of the British political system. It focuses attention on the existence and dominance of a single tradition which informs the way actors and institutions conceive of the role of government and is a key idea to emerge from this literature. This tradition is based on a limited liberal notion of representation and a conservative notion of responsibility which forefronts concepts of strong, stable, highly centralised and accountable, but not always responsive, government. These mantras are embodied in the way actors understand what makes for good government and are also deeply embedded in the institutions in which they operate.

Later trends in the BPT literature are shown to accept a greater role for the concept of competing traditions which may lead to potential challenges to the dominance of the BPT. This is an important idea to emerge from the literature because it sensitises us to the potential for the BPT to be overcome; and for this to be evident in the ways actors and institutions approach the emergence of SE. The possibility of such a challenge feeds directly into the principal research question of this thesis which asks to what
extent the emergence of SE could mark a challenge to the BPT? These ideas are principally concerned with why such a challenge may or may not succeed.

The governance and policy networks literatures are much more concerned with what is occurring in relation to the possible fragmentation of the British polity. Governance itself is an important analytical concept for this study because it takes power seriously. It prompts us to focus on the various actors and locations in which policy making takes place. In the case of SE, it directs attention to the existence of the policy networks through which governments may constrain its potential. Key debates arise here as to what extent these networks may have prompted a genuinely new form of governance, or whether the executive continues to dominate them using its resource advantage and hierarchical forms of governance.

Debates in this literature are therefore focussed around the central contention of whether the state has been hollowed out or filled in? The APM and state-centric relational perspectives both argue that society-centric accounts of governance overplay the erosion of capacity at the centre and exaggerate the extent to which, for example, autonomous policy networks, have usurped power from the core executive. These ideas are crucial to understanding the research questions of this thesis. They focus attention on the relationships between government and the SE sector and prompt us to analyse the extent to which SE dominated policy making through the networks in which they operated.

The BPT and governance literatures are both concerned with the extent to which the core executive may, or may not, have ceded power to a fragmented polity. The debates occurring within them share many similarities (and contributors). Essentially, they can be delineated between those who believe a significant challenge to centralised power has occurred and those who believe the core executive remains the principal authority in the UK.

The dedicated SE literature is much less well developed than the BPT or governance literatures. It is interdisciplinary in nature and whilst considering the types of questions ideally suited to the BPT and Governance approaches it has never been considered
from these perspectives. Much of it is concerned with organisational forms and definitional debates.

It does raise two key ideas, however, that are explored further in the thesis. The first of these is that SE appears not to have come to the fore in the way the Third Way and Big Society mantras suggest that it might have. The literature proposes that SE was in many ways an ideal fit with the governing agendas of the New Labour and Coalition governments but suggest that it may have ended up playing a much smaller role than it envisaged for itself. This warrants the basis on which the study considers whether SE actually was constrained by government and, if so, why this may have been the case.

Secondly, it raises the idea that SE was initially viewed as a radical way to devolve power to a hybrid business model. The idea that SE could pose a radical challenge to the BPT is an important concept when considering how and why it may have been ultimately constrained by a BPT capable of absorbing ideas which may threaten its dominance. The BPT and Governance literatures, in turn, contribute to addressing the under-theorised nature of the BPT literature and help to address some of the outstanding questions raised within it.

Three key research questions emerge from these discussions. The first addresses the gap in knowledge in the SE literature as to the nature of SE’s emergence and development under the New Labour and Coalition governments and sets out to assess the extent to which SE really did fail to live up to expectations. The question asks: i) given the alignment between SE and the Third Way and Big Society, how was it conceived of and developed in practice under the New Labour and Coalition governments from 1997 to 2015?

The second question seeks to determine if there was a dissonance between the stated intentions of the executive and the approach taken to SE in practice, and why this might have been the case. It builds on key ideas from the three literatures by addressing the lacuna in the SE literature and assessing why such a gap may exist. This draws on the contributions of the BPT which focuses attention on the ways actors perceive the role of government and how, despite stated intentions to the contrary, successive
governments may have actually constrained SE. It asks: did the rhetoric and reality of SE’s role in the delivery of public goods differ and, if so, why was this the casse? It is important to establish the answer to this question before the primary research question, outlined below, can be satisfactorily addressed.

The third question emerges from the key ideas identified in the Governance and Policy Networks literatures. It is concerned with the way the core executive may have utilised its resource advantage and deployed hierarchical forms of governance to actively shape the policy networks in which SE was involved. It seeks to analyse the relations between actors within them and the core executive. It asks: how may we understand the nature of network relationships involving SE?

The last, and primary research question, is firmly founded in the debates and ideas identified in the BPT literature. This final question, which constitutes the main thrust of the thesis, considers the extent to which a genuine challenge to the dominance of a single tradition may have occurred. It asks: does an analysis of the Blair, Brown and Cameron governments, and their relationships with SE, reveal a challenge, or change, to the dominant traditions which shape the institutions and processes of the British political system and if not, why?
Chapter Five – Methodology

5.0 - Introduction

The preceding three chapters in this thesis have explored the BPT, governance and policy network literatures and identified in each of them a debate centred around the notion of the state’s potential hollowing out by multiple non-governmental actors.

In the context of these debates, this thesis set out with the notion that SE had every possibility to prove a genuine challenge to the dominance of the BPT. In Chapter Four, a review of the existing literature on the rise of SE in the UK showed that the sector wanted the autonomy to deliver public goods and successive governments (at least overtly) seemed to agree with this vision of an empowered SE movement. This leant itself to contributions within the BPT literature which questioned the extent to which one single dominant tradition could be said to guide decision making in the British political system? This is the fundamental puzzle of this thesis: did SE constitute a genuine challenge to the dominance of the BPT, and if not, why?

SE was chosen as a case study for this thesis because of its unique positioning to pose a genuine challenge to the dominance of the BPT. Initial research into the existing literature on SE suggested that, despite considerable rhetoric outlining governments’ intent to devolve autonomy to the sector, this may not have occurred in practice. The approach of the BPT is principally concerned with identifying the potential of such challenges to the dominant tradition and understanding why and how they may fail. Unlike other potential examples of provision of public goods or state transformation, SE was emerging at a time when governments appeared to be enthusiastic about the concept of a public/private hybrid vehicle through which to diversify service delivery. It harnessed the supposed best of both worlds and ran congruent with major governing philosophies (Third Way and Big Society) of the time. SE makes for an excellent case study through which to explore these challenges precisely because it appeared to be so well placed to be successful.

The case study is temporally limited and the research and findings can only speak to the specific time-frame considered in the thesis (1997-2015). SE does not, of course,
cease to exist after this point and future research may wish to add to an understanding of what happened to the sector after this period.

The research design adopted here has been selected because it helps best position the thesis to answer this primary research question, and the three primary research questions which contribute to it:

1. Given the alignment between SE and the Third Way and the Big Society, how was SE conceived of and developed in practice under the New Labour and Coalition governments from 1997 to 2015?
2. Did the rhetoric and reality of SE’s role in the delivery of public goods differ, and if so why?
3. How may we understand the nature of network relationships involving SE?

To address this puzzle, the chapter sets out the research design employed. It looks at the epistemological terrain underpinning the thesis and considers how this approach informs the qualitative methodological research design. The latter includes an embedded case study design, elite interviews and documentary analysis with triangulation of data. After looking again at each of these from an operational perspective it concludes by considering the practical limitations encountered in the research in relation to the knowledge claims presented.

5.1 – Epistemology

The methodological approach of this thesis is underpinned by a Critical Realist (CR) epistemology. One of the most important aspects of CR is that ontology is not reducible to epistemology. Knowledge captures only a small part of a deeper, unobservable, reality. In this respect it deviates from positivism and constructivism (Fletcher, 2017). CR argues that modernist forms of social science ‘radically underestimate the openness, contingency and contextually variable character of social change’ whilst postmodernist approaches needlessly assume the absence of any certainty or regularity, meaning ‘that hopes of reliable knowledge claims and scientific progress must be rejected’ (Sayer, 2000, p.3). CR finds a middle-way between these two poles.

CR treats our knowledge of the social world as fallible; as ‘theory-laden, but not theory-determined’ (Fletcher, 2017, p.182). It proposes that there is a ‘real world out
there’ (Marsh, Richards and Smith, 2001) but that this world is socially constructed. Whilst the social world exists independently of interpretation, discursive construction remains capable of affecting and constraining outcomes (Marsh, Richards and Smith, 2001, p.3). The structures in which this takes place are capable of being interpreted and changed by the actors operating within them (Furlong and Marsh, 2010). This conception of the interaction between structure and agency offers an epistemological underpinning for the following research design and helps to inform the methods used to explore this relationship between actors, in the case of SE, and their engagement and negotiation with the structures and institutions of Whitehall.

For CR, power is conceived of in the way in which these interactions led to the constraint of actors’ choices. Power is ‘fluid and embedded in social relations’ reinforcing the actions of some actors whilst limiting and shaping those of others (White, 2015; Jessop, 1990). Through its concern with the unobservable rules that inform political choices, CR encourages us to look at these interactions between structure and agency to explore political change over time.

5.2 - Research Design

This epistemological position shapes a belief that whilst there are rules at play that inform political choices made within institutions and structures there are also things that are unobservable. One of the benefits of adopting a qualitative research design, and specifically the deployment of the elite interview approach, is its capacity to expose the difference between what is observable and unobservable. It will allow me to tease out the subjective dispositions that I would not get from observable forms of data, for example largely quantitative forms. The relatively ambivalent position of critical realism means that whilst I will make claims out of this research they do not set out to be definitive or predictive claims relating to causal relationships. Rather I seek to establish a set of strong assumptions based around the proposed research questions and attempt to tease out those qualitative pieces of information that are not observable through a process of semi-structured interviews. A qualitative design presents the optimal means by which to address the core research questions which underpin this thesis, as set out in the introduction to this chapter. They are ostensibly concerned with power relations and seek to understand the interplay between the core
executive and SE. The use of qualitative methods helps to best capture the nature of these relationships.

5.2.1 - Qualitative Methods

Qualitative methods focus on detailed, often text-based data with a particular concern for the experiences of individual actors within institutions, events or processes. Rather than quantitative or statistical approaches which focus on the measurement and observation of widely repeated incidences of a phenomenon (John, 2002, p.218), qualitative research seeks to generate thick description principally concerned with ‘capturing meaning, process and context’ (Devine, 2002; Vromen, 2010). Qualitative methods are most appropriately employed where research seeks to assess the subjective experiences of actors and uncover the meanings which they attach to their experiences (Devine, 1995, p. 138). The ability to uncover how social worlds are interpreted by actors, which could itself be structured by dominant discourses, helps to identify the real, actual and empirical stratifications through which structure and agency interplay.

Qualitative methods will allow this research to investigate not only the observable rules that inform political choices but also tease out the unobservable. In trying to explain why SE may, or may not, have marked a change in the way public services were delivered in the UK it is vital to understand how ministers, civil servants and SEs conceive of the social world they operate in and the possible changes that may have occurred within it. This research will then present a perspective on the views held by these elites in order to assess if and how their conceptions are affected by, and in turn also affect, structural constraints (Marsh, Richards and Smith, 2001). Elite interviews will therefore form a key plank of the research methods employed in this thesis in order to unpack these power relations.

5.3 - Methods (Operationalising the Research Design)

The research covers the development of SE policy under four governments, three prime ministers and two political parties (New Labour 97 – 2001; New Labour 2001-

Embedded case studies concern multiple subunits of study which ‘reside’ in the main unit (Yin, 2009; see also Villalobos, 2017) For the purposes of this research the main unit is the emergence of SE in the UK (and its relationship with the state as an alternative means by which to deliver public goods) and the subunits are the three periods of government into which the emergence of SE is stratified.

The embedded case study allows comparisons to be drawn between the subunits which help to improve the robustness of the findings compared to a single-case study. Multiple subunits help to enhance the ability to extrapolate generalisations resulting from the case studies (Patomaki, 2002) and the research benefits from the ability to make comparisons across these cases.

The case study approach, in general, is described as suiting questions of ‘how or why some social phenomenon works’ and is especially applicable when ‘questions require an extensive and “in depth” description’ (Yin, 2009, p. 4). As such, it is well suited to the research questions being asked in this thesis which seek to reveal the emergence of SE resulted in a challenge to the dominant political traditions shaping the British political system, and if not why?.

The rest of this section will consider each of the specific methods employed to operationalise the research design, the first of which is elite interviewing.

5.3.1 - Elite Interviewing

Elites are individuals who possess, or have possessed, access to areas of interest to researchers, who hold positions of seniority and are, by their nature, often limited in number. They are defined by Richards (1996, p.199) as people ‘who hold, or have held, a privileged position in society and, as such […] are likely to have had more influence on political outcomes than general members of the public’.

By the virtue of their privileged access to events, information and resources, elite interviewees offer a potentially rich source of qualitative data that may not be reflected

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10 See Harvey, 2011 for a discussion on the literature on the definition of elites in the social sciences.
in other forms of data available to researchers. They help to provide insight into the ways actors reach conclusions, make decisions and operate within structures; they are also able to provide their own subjective analysis of events of interest and report on their observations from behind closed doors (Richards, 1996).

The use of elite interviews in a research methodology does not come without challenges. These range from gaining initial access to a subject to accounting for the fact that sources are fallible, capable of unintentionally or deliberately misleading researchers, possessing revealed and actual preferences, exaggerating claims and pursuing their own agenda in interview. Berry (2002, p.680) reminds us ‘it is not the obligation of a subject to be objective and to tell us the truth’.

The onus, rather, is on the researcher to establish the credibility of accounts given during elite interviews through processes of triangulation. Interviewers have to be mindful that, just because a source may sound credible, or may agree with the hunch of the researcher, this alone does not corroborate their reliability. Triangulation can be achieved by seeking views from a number of interviewees on a given topic or event and by conducting documentary analysis to seek assurance over the reliability of testimonies given in interview (Berry, 2002).

By their nature, elite subjects can be difficult to access. They operate in potentially closed networks and are not always inclined to talk to academic researchers with, possibly, limited resources and potential impact. It may simply not be possible to access everyone a researcher would ideally interview in the course of research. Where this is not possible, suitable alternatives should be identified.

Some of the potential challenges which arise from elite interviewing can, however, be offset by additional, complementary and triangulating methods. This thesis employs documentary analysis to such an end.

5.3.2 - Documentary Analysis

Documentary analysis involves the selection and study of, primarily, textual documents related to an area of interest to researchers. It allows researchers to examine a range of evidence that may provide anything from official accounts of specific events to subsequent commentary on a phenomenon or issue.
Burnham et al (2008) stratify the types of documents available for analysis into three types; primary, secondary and tertiary. Primary sources are those which were ‘part of the event in question and that [were] intended for internal or restricted audiences’ (Burnham et al, 2008, p.187). These may include minutes of meetings, transcripts of speeches, official reports or research documents on which decisions or discussions were to be based. Secondary sources consist of ‘material circulated at the time or soon after and that was available to the public at the time of the event in question’ (Burnham et al, 2008, p.187). These can include policy documents or official accounts of decisions taken. Tertiary sources are made up of ‘all later work in the public domain offering a reconstruction’ (Burnham et al, 2008, p.187). These can include journal articles, newspaper reports, or autobiographical accounts. Each of these offers a useful perspective and source of additional evidence that can be analysed by researchers to access otherwise unavailable information and to triangulate data collected by other means.

To this end documentary analysis offers three key advantages to researchers. It allows access to information which may not be available in any other form; it allows us to use this information to clarify, or triangulate, data collected elsewhere; and it is often readily available, inexpensive and easy to collect (Shaw et al, 2004, p.260).

It is, however, not without potential problems that must be accounted for in its use. Burnham et al (2008, p.208-212) describe these as relating to, among others, authenticity, credibility and representativeness. Though a basic first step, the authenticity of a document must be assured before its contents can be analysed. It’s credibility, whilst closely connected, refers more to the sincerity and accuracy achieved by the author(s) (Burnham et al, 2008, p. 210). The representativeness of a document concerns its position within the ‘totality of relevant documents’ (Scott, 1990, p.24; see Burnham et al, 2008, p.211). This is not to discount that unrepresentative documents are also worthy of analysis but that where a source proves to be an exception rather than the rule, this should be addressed.
Documentary analysis will not be employed in isolation in this study but is, rather, part of a range of evidence that will help to triangulate the claims that emerge and corroborate the data collected in elite interview.

5.3.3 - Triangulation

Triangulation is defined, at the broadest level, as the ‘combination of methodologies in the study of the same phenomenon’ (Denzin, 1978, p.291). In the social sciences, as Jick (1979) argues, the use of triangulation can be traced to Campbell and Fiske who proposed the concept of ‘multiple operationism’ in 1959. This is the view that multiple methods should be employed in order to confirm that any ‘variance reflect[s] that of the trait and not of the method’ (Jick, 1979). In other words, where more than one method is applied to investigate a phenomenon, corroborative results are able to help validate claims made out of that research.

For Burnham et al (2008) this ‘logic of triangulation’ encourages researchers to utilise qualitative and quantitative methods to examine research questions but it is still possible to triangulate ‘within-method’ (Denzin, 1978). Denzin gives the example of within-method triangulation for qualitative researchers engaged in participant observation which, he argues, can employ multiple comparison groups to help triangulate findings. In the case of this study it is possible to triangulate findings by interviewing multiple sources and cross-referencing elite interviews with documentary analysis.

For the reasons set out above (the fact that sources are fallible, capable of making misleading or exaggerated claims and pursuing their own agenda in interview) the data revealed by this method must be triangulated to enhance the robustness of the claims the study seeks to make. Triangulation helps to mitigate the flaws of the elite interview method by comparing findings from one source against the findings of multiple others; any divergence can then be identified and assessed. This, in line with my CR epistemology, does not mean that a singular infallible account of the phenomenon has been identified but, rather, helps to add ‘rigor, breadth, complexity, richness and depth’ to the study (Denzin and Lincoln, 2000, p.5).
These methods are important for a consideration of SE’s emergence in the UK because identifying how elites interpret and set rules and operating practices is an important step to answering the proposed research questions. An understanding of the rules (institutional practices) can be acquired through looking at the relevant documents and the interpretation, by asking the contemporary elites.

Having established the theoretical grounding of the proposed research design the next section discusses how this methodological approach was applied in practice.

5.4 - Operationalising the Research Design: Case Studies

The main unit forming the case study for this research is the emergence of SE in the UK (and its relationship with the state as an alternative means by which to deliver public goods). As a predominantly empirical study, the primary impetus of this thesis came from the belief that the rise of SE in Britain could potentially have signalled a genuine challenge to the dominance of a single political tradition which has shaped the British political system for a century. SE represents a clear opportunity to analyse the enduring nature of the BPT and assess whether this new, disruptive, social business model was capable of taking control and reforming the way public goods are delivered in the UK.

To examine this phenomenon, three subunits were identified over a nearly 20 year period between 1997 and 2015 which came under the three prime ministers in office during that time. Each (as set out in Chapter Four) represented a slightly different approach to SE and each came from a different ideological tradition. Each government’s approach to SE could be analysed, assessed and compared to one another which enhances the study’s ability to extrapolate generalisations resulting from the case studies (Patomkai, 2002) and ensure that any findings are situated within multiple cases to improve their robustness.

Analysing the ways in which successive governments, of various political persuasions, approached, and shaped, the emergence of SE in the UK will allow this thesis to
determine whether the sector posed a genuine challenge to the dominance of a single political tradition and if not, why (in those three subunits) that was the case.

5.4.1 - Interviews

This research utilises semi-structured elite interviews and documentary analysis; with elite interviews forming the primary method of data collection. 44 elite sources (both current and retired) were identified in an initial round of documentary research, based on their connections to SE policy making between 1997 and 2015; these were split into three broad categories: government ministers, civil servants and individuals working in the SE sector at the time. From these 44, 20 interviews (detailed below) were conducted with elite sources spanning the three periods in question. Limited existing access to contacts within the New Labour governments of 1997-2010 was utilised to engage an initial set of interviewees from which snowball-sampling took place in order to access contemporaneous civil-service sources. Ministers and civil servants from the Coalition period were approached from a targeted list structure.

An approach letter was sent via email to all potential interviewees setting out the purpose of the research and requesting a meeting at their convenience. 20 of the 44 potential sources agreed to take part. Of these: four were Government Ministers or Secretaries of State with responsibility for SE policy, eight were civil servants or senior civil servants working directly in connection with SE policy and eight were SE practitioners working at regional or national levels (see Figure. 5.1 and Table 5.1). The experience (and period in office) for many of these interviewees spanned the Blair, Brown and Cameron governments. Where this is the case, they are placed into the category below which represents the majority of their experience or period in office. In the case of SE practitioners; all remained active in SE to some extent throughout the period of investigation (1997-2015); again, they have been categorised based on the time period they were most prominent or active.
18 interviewees agreed to audio recordings being made (of which only 14 could practically be recorded due to excessive noise levels in one venue, and practical difficulties being encountered in recording 3 telephone interviews). All 20 agreed to contemporaneous notes being taken during the interview either in addition to, or instead of, audio recordings. Interviews were conducted primarily in public spaces; cafes, restaurants and member’s clubs in and around London. Two were conducted in the registered offices of interviewees. Two interviews were conducted via video teleconferencing and three by telephone. Interviews lasted between 30 minutes and 1 hour 30 minutes; with the majority lasting around 1 hour. This varied based on the time the interviewee was able to dedicate to the interview.

Table 5.1: Breakdown and Description of Elite Interviewees

<table>
<thead>
<tr>
<th>Category of source</th>
<th>Description of source</th>
<th>Period in which source was primarily active</th>
</tr>
</thead>
<tbody>
<tr>
<td>Government Minister</td>
<td>Senior minister with direct responsibility for SE at DTI</td>
<td>1997 - 2007</td>
</tr>
<tr>
<td>Government Minister</td>
<td>Junior minister with direct responsibility for SE at Cabinet Office</td>
<td>2007 - 2010</td>
</tr>
<tr>
<td>Role</td>
<td>Description</td>
<td>Years</td>
</tr>
<tr>
<td>----------------------</td>
<td>------------------------------------------------------------------------------</td>
<td>-----------</td>
</tr>
<tr>
<td>Government Minister</td>
<td>Senior minister with direct responsibility for SE at Cabinet Office</td>
<td>2010 - 2015</td>
</tr>
<tr>
<td>Government Minister</td>
<td>Senior minister with direct responsibility for SE at Cabinet Office</td>
<td>2010 - 2015</td>
</tr>
<tr>
<td>Civil Servant</td>
<td>Senior civil servant with direct responsibility for SE at DTI</td>
<td>1997 - 2007</td>
</tr>
<tr>
<td>Civil Servant</td>
<td>Junior civil servant with direct involvement in SE policy at DTI</td>
<td>1997 - 2007</td>
</tr>
<tr>
<td>Civil Servant</td>
<td>Junior civil servant with director involvement in SE policy at DTI</td>
<td>1997 - 2007</td>
</tr>
<tr>
<td>Civil Servant</td>
<td>Senior civil servant with direct responsibility for SE at Cabinet Office</td>
<td>2007 - 2010</td>
</tr>
<tr>
<td>Civil Servant</td>
<td>Senior civil servant with direct responsibility for SE at Cabinet Office</td>
<td>2007 - 2010</td>
</tr>
<tr>
<td>Civil Servant</td>
<td>Junior civil servant with direct involvement in SE policy at Cabinet Office</td>
<td>2010 - 2015</td>
</tr>
<tr>
<td>Civil Servant</td>
<td>Junior civil servant with direct involvement in SE policy at Cabinet Office</td>
<td>2010 - 2015</td>
</tr>
<tr>
<td>Civil Servant</td>
<td>Junior civil servant with direct involvement in SE policy at Cabinet Office</td>
<td>2010 - 2015</td>
</tr>
<tr>
<td>SE Practitioner</td>
<td>Nationally prominent SE practitioner, running their own SE with a seat on an SE national representative body at the time</td>
<td>1997 - 2007</td>
</tr>
<tr>
<td>SE Practitioner</td>
<td>Nationally prominent SE practitioner, running their own SE</td>
<td>1997 - 2007</td>
</tr>
<tr>
<td>SE Practitioner</td>
<td>Regional SE practitioner. Running their own localised SE without national prominence</td>
<td>1997 - 2007</td>
</tr>
<tr>
<td>SE Practitioner</td>
<td>Nationally prominent SE practitioner, running their own SE with a seat on an SE national representative body at the time</td>
<td>2007 - 2010</td>
</tr>
<tr>
<td>SE Practitioner</td>
<td>Nationally prominent SE practitioner, running their</td>
<td>2007 - 2010</td>
</tr>
</tbody>
</table>
Sources were interviewed using a semi-structured format (see Appendix 1) with follow-up questions designed to clarify and extend responses to the initial set of questions asked of all interviewees (amended for suitability of each sub-set of interviewees; ministers, civil servants and practitioners). One interviewee requested a list of questions to be submitted in advance of the interview. This did not significantly alter the dynamic of the interview but meant that it was more difficult to ensure focus was paid to the most important questions without the source jumping ahead to the questions they wanted to spend more time on.

Each interviewee was given the option of anonymity, with anonymity being encouraged as a preferred option. One interviewee, for example, wanted to be named on the condition they were able to approve all quotes used in the thesis and approve the context in which they were used in the thesis as a whole. It was suggested that this would be impractical and hinder progress; as a result the contribution remains anonymous. All sources have been granted anonymity in this research with their names and positions obscured. Where possible I have indicated their seniority or specific involvement in relevant policy areas or events without compromising their anonymity. None of the quotes in this thesis have been formally approved by the sources interviewed. 14 of the 20 interviews were recorded and transcripts written and 6 had only contemporaneous notes taken, followed by a more thorough write-up soon after the interviews took place.

<table>
<thead>
<tr>
<th>Role</th>
<th>Description</th>
<th>Time Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>SE Practitioner</td>
<td>Nationally prominent SE practitioner, running their own SE with a seat on an SE national representative body at the time</td>
<td>2007 - 2010</td>
</tr>
<tr>
<td>SE Practitioner</td>
<td>Nationally prominent SE practitioner, running their own SE with a seat on an SE national representative body at the time</td>
<td>2010 - 2015</td>
</tr>
<tr>
<td>SE Practitioner</td>
<td>Regional SE practitioner. Running their own localised SE without national prominence</td>
<td>2010 - 2015</td>
</tr>
</tbody>
</table>
The data collected from these interviews was then analysed. The transcripts and notes were manually coded and organised into primary and subsidiary nodes through the qualitative data analysis software package, Nvivo.

An initial read through of all transcripts and notes was followed up by a manual coding exercise. An initial set of nodes were formed based on the data itself. Each transcript and summary node was read and every comment was sorted into a node which reflected what that particular response was saying. This produced many nodes which were then grouped into similar themes and chosen for their relevance to answering the research questions asked. Whether they agreed or disagreed with a premise was recorded separately in the node. Any overlapping nodes were merged into a single node where appropriate. These then became the subsidiary nodes which sat under the primary nodes which helped to frame the data for presentation in the empirical chapters. 52 nodes were identified in the first coding exercise. These were eventually distilled to 16 nodes which fell under 3 primary nodes which formed the basis of the empirical chapters. Data was prioritised where repeated statements were made by multiple sources and statements were described as important by the sources themselves.

These macro nodes related to the primary research questions this thesis sought to address. One drew together statements concerning the way SE was conceived of in the UK under the three premierships. One collated quotes concerning the relationships between SEs, the wider third sector and Whitehall and the last grouped statements related to SE’s potential to pose a challenge to the dominant political tradition through a devolution of power; including the tendency to put rhetoric before reality.

The quotes within each node were separated into those which supported a particular claim: for example, ‘the government didn’t genuinely devolve any power to SE’, and those which negated it. This allowed majority and outlying views to be identified.

A coding book was produced which set out the findings drawn from the transcripts and notes. This was used to inform the findings as set out in each of the following empirical chapters; the data is analysed within these chapters and the thesis’ conclusion.
5.4.2 - Documentary Analysis

Documentary analysis is employed throughout the findings of this thesis. Documents analysed include a range of primary and secondary sources (often produced by government departments or SEs themselves) and tertiary sources (including academic publications, media articles from mainstream publications or specialist third sector/SE content).

Primary and secondary sources include speeches, press releases, meeting minutes, reports, official research papers and website articles. An example of their use comes in the first empirical chapter which explores a range of interview and documentary data to help characterise the attitudes of each government (from 1997 to 2015) towards the emergence of SE. It draws on an analysis of all press releases issued by the principle department or office responsible for SE at that time and assesses these in order to determine what each government was most concerned with when it came to supporting the development of SE. These press releases were identified through a systematic search of the archived websites of each respective unit or department (the SEU in the DTI and Cabinet Office) principally responsible for SE under each government from 1997 to 2015. Searches for the phrase ‘social enterprise’ and derivatives were used to identify documents and press releases related to SE which were then manually coded in order to identify what aspect of SE policy each was referring to. Five codes emerged from this which identified documents as relating to: i) improving access to finance ii) developing business skills of the sector iii) fostering an enabling environment iv) improving access to public procurement and v) raising the profile and understanding of SE. Appendix 2 sets out these documents and press releases in detail. From a combination of these press releases and the accounts of elite sources interviewed for this research, it is possible to ascertain the SE policy priorities of each government during the period of study.

Tertiary sources examined for this thesis include journal articles, academic publications, newspaper reports and relevant blog content. They often allow for the collection of additional data not available elsewhere. For example reported quotes
from interviews with sources of interest or details of the contemporaneous reactions of SEs to policy announcements of the day.

All documents analysed for the study are selected on the basis of their relevance to the areas of research interest in the thesis. As well as providing unique data their content is used to help corroborate claims uncovered in elite interview and to add additional, contextual information to the study. Official government publications, for example, add to the accounts of ministers and civil servants and help to mitigate problems of source fallibility and the potential for sources to wittingly or unwittingly mislead researchers through a process of triangulation.

5.4.3 - Triangulation

The research design seeks to ensure that no claims are made from data collected from a single source. Instead where information is gathered from elite interviews, it is triangulated using documentary analysis and vice versa. Triangulation is also achieved by cross-referencing multiple sources which allows for the comparison of their accounts; improving the robustness of findings (Marsh, Richards and Smith, 2001).

Chapter Seven, for example, considers the relationship between the SE sector and the trade union movement in the UK. A number of SE and ministerial sources confirmed the view that trade unions were highly sceptical of SE and entered into a combative relationship with it; seeing it as a policy distraction and a threat to their own goals and resources. Alongside the multiple accounts of elite sources interviewed for this study, documentary analysis also revealed the contemporaneous views of union officials at the time, which helps to triangulate and ensure the robustness of these claims and findings.

Data gathered in elite interview was triangulated against documentary evidence by comparing claims made in the former to reports set out in the latter. An example of this occurs in Chapter 6 where a civil servant, interviewed for this research, claims that the government’s focus on SE was, in large part, concerned with the reform of public service delivery under the Blair government. This claim is then supported by two documents (from the DTI and Treasury) which clearly set out that the government
sought to prioritise support for the role that SE could play in modernising service delivery. The data is triangulated by comparing multiple accounts collected using different methods from a range of different sources.

Data is also triangulated within a single method. Multiple sources, reflecting independently on a single phenomenon speak of their experiences from a diverse range of perspectives. By interviewing ministers, civil servants and SE practitioners it is possible to compare accounts using these diverse perspectives. This helps to mitigate potential weaknesses in the elite interview method, such as the potential for sources to provide deliberately or inadvertently misleading answers.

Triangulation is used throughout the empirical chapters of this thesis to this end. It helps to guard against the potential pitfalls of the primary research method (elite interviewing) and its potential to be corrupted by fallible or misleading sources whilst simultaneously not dismissing that potentially very rich source of data which allows the thesis to observe the otherwise unobservable.

Whilst every effort is made to ensure the robustness of this research design it is not without its limitations; both in terms of its methodology and in a practical sense.

5.5 - Constraints on Knowledge Claims: Epistemological Challenges

CR acknowledges that, whilst it is possible to make generalisations resulting from research, any such generalisations should be restricted to phenomena within a broadly similar context.

Whilst this research is specific to the development of SE in the UK between 1997 and 2015 its findings speak to a broader phenomenon of the state’s relationship with third sector, non-governmental, providers of public goods.

CR is cautious, however, of extending any such claims made to these wider contexts as it is believed that any form of social change has ‘contingency and contextually variable character’ (Sayer, 2000, p.3). Each specific phenomenon will occur within
its own unique context and whilst these may ‘share similar properties’ each is ‘over-
laden by unique histories and evolved practices’ and as such ‘universalality is highly
problematic’. Critical realists, then, seek to infer, from their findings, limited
applicability outside of the specific phenomenon being studied (Kempster and Parry,
2011, p.117).

5.5.1 - Practical Limitations

As well as the epistemological challenges to this study, a number of practical
limitations were encountered during the research. The foremost of these relates to the
availability of elite actors for interview. Elites, by their very nature are people who
hold ‘privileged position[s] in society’ (Richards, 1996, p.199) are limited in number
and often difficult to access. Academic research conducted by early career researchers
may be unappealing to time-constrained individuals who are not otherwise
incentivised to take part.

The access required for this study spanned an 18 year period and covered governments
serving under three separate Prime Ministers. Many of the elected politicians and
officials were difficult to locate from those earliest years for various reasons, including
leaving public service. Some serving in the most recent years were still in office and
this represented a different challenge; with some being reluctant to talk due to their
continuing diary commitments or because they felt they could not comment on an area
of work they were no longer directly responsible for whilst still serving within another
area of government.

Despite these challenges, of the 44 (not exhaustive) potential sources identified and
contacted for interview, 20 were agreeable. This represents a sample size of 45% with
a good spread across both the epochs studied and the types of source (ministers, civil
servants and SE practitioners) the study sought to access. Had timescales and budgets
allowed, the research would certainly have benefitted from a wider array of sources
but given the practical limitations imposed on the thesis, 20 elite interviewees was
considered to offer adequate, and adequately spread, coverage for the purposes of this
research.
The length and size of the study was dictated in part by the time-limited nature of the PhD process. The fieldwork element of this thesis was primarily conducted during the summer of 2017 and was afforded a limited timeframe in order not to grossly delay the completion of the thesis. The research element was also subject to funding restraints. Interviews are labour intensive and have obvious associated costs which practically limit the sample size researchers are able to access. Were these things not impacting on the potential scope of the fieldwork it would have been possible to extend the sample and have spent a longer period in the field. In addition it would also have been possible to extend the scope of the thesis itself, extending the research to examine the wider third sector, for example.

5.6 - Conclusion

This chapter set out the methodology employed to help answer the research questions asked by this thesis. It outlined the qualitative methodological approach adopted and set out the thesis’ use of an embedded case study design, elite interviews, documentary analysis and the triangulation of data. It concluded by considering the epistemological and practical limitations encountered in the research.

The three substantive chapters which preceded the methodology explored ongoing debates within the BPT and Governance literatures. These were shown to have been polarised over the extent to which the core executive has truly been ‘hollowed out’ by the multiplicity of locations and actors involved in the policy making process.

Emerging from these debates it was suggested that SE may be well placed to prove a genuine challenge to the dominance of the BPT. Chapter Four’s review of the existing SE literature revealed that elements of the sector were keen to gain the autonomy to independently deliver public goods and successive governments seemed outwardly committed to the empowerment of the SE movement. This ran alongside an emerging trend within the BPT literature which questions the extent to which a single dominant tradition could be said to guide decision making in the British political system any longer? It suggested instead that multiple competing traditions may emerge to contest the dominant (Hall, Marsh and Vines, 2018; BR, 2003).
The following three substantive empirical chapters will utilise the research design set out here to help answer the primary research questions of the thesis. Chapter Six will examine the nature of SE under the three periods with a specific focus on how the respective governments viewed SE in relation to public service delivery. Chapter Seven will analyse how internal relations within Whitehall affected the development of SE and Chapter Eight will assess whether SE led to a meaningful transformation in shifting power and autonomy from the centre to the front-line.
Chapter Six: the development of SE under New Labour and the Coalition

6.0 – Introduction

The last chapter set out the methodology used to address the key research questions raised in this thesis which seeks to understand state transformation in the context of the role of SE between 1997 and 2015.

The thesis asks:

1. Given the alignment between SE and the Third Way and the Big Society, how was SE conceived of and developed in practice under the New Labour and Coalition governments from 1997 to 2015?
2. Did the rhetoric and reality of SE’s role in the delivery of public goods differ, and if so why?
3. How may we understand the nature of network relationships involving SE?

In analysing the three periods of government which fell under the three prime ministers Blair (1997-2007), Brown (2007-2010) and Cameron (2010-2015), and their approaches to SE, this thesis is essentially asking: does an analysis of the Blair, Brown or Cameron governments, and their relationships with SE, reveal a challenge, or change, to the dominant traditions which shape the institutions and processes of the British political system and if not, why?

The following three empirical chapters investigate:

- the nature of SE under the three periods with a focus on the rhetoric employed by each respective government and how they viewed SE in relation to public service delivery (Chapter Six)
- internal relations within Whitehall and how they may have affected, or been affected by, the development of SE? (Chapter Seven)
- whether SE led to a meaningful transformation in shifting power and autonomy from the centre to the front-line and whether the rhetoric ever truly matched the reality (Chapter Eight)

The first of these three chapters explores the nature of SE under successive governments from 1997 to 2015. It considers the extent to which the Blair governments viewed SE as a means by which to instil reform in public services and contribute to the development of the Third Way governing project. It then looks at how the Brown government offered an alternative, redefining SE as a ‘soft’ form of
community service and innovation on a localised scale. Finally, it considers Cameron’s Coalition government’s continuation of this emphasis on the voluntary and charitable nature of SE whilst simultaneously diverting the majority of its policy attention towards growing the social investment market and shaping SE to work in the interests of private capital.

6.1 - The Blair Premiership’s Approach to SE (1997-2007)

Despite the government’s early rhetoric surrounding the Third Way the 1997 Labour Party manifesto contained few references to the decentralisation of public service delivery and more particularly no direct references to SE or the third sector. The closest reference made to the role alternative business forms could play in service delivery was the commitment to encourage a ‘variety of forms of partnership and enterprise’ (Labour Party, 1997). This brief nod to the diversification of service delivery, which more specifically referred to enhancing the role of the cooperative movement, belies a gap between the rhetoric of the Third Way and the reality of the level of focus being given to SE by the government during New Labour’s first term in office. So, whilst SE began to be revived as a policy area of interest to New Labour from 1997, it was not until the Blair Government’s second term of office that any significant policy formulation began.

From 2002, a range of policies and characterisation are identified which clearly depict SE as a significant means by which to diversify the delivery of public services and add substance to the Third Way governing concept. This was preceded by an increased focus on the ways in which alternative business forms could contribute to public service delivery in the 2001 Labour Party manifesto.

Although SE and the third sector still went without direct mention in the 2001 manifesto, clear commitments were now made to decentralising power from the centre to communities and alternative forms of business to ‘improve’ the way public services were delivered:

In all our public services, the key is to devolve and decentralise power to give freedom to frontline staff who perform well, and to change things where there are problems. Services need to be highly responsive to the demands of users. Where the quality is not improving quickly enough,
alternative providers should be brought in. Where private-sector providers can support public endeavour, we should use them. A 'spirit of enterprise' should apply as much to public service as to business (Labour Party, 2001).

The commitment to replacing failing public provision with ‘alternative providers’ was matched by references throughout to ‘empower[ing] local communities by combining resources and responsibility’ and ‘renew[ing]’ services so as to ‘drive up standards in our key public services […] decentralis[ing] power to make that possible’ (Labour Party, 2001). This overt commitment to ‘break the suffocating centralisation of British government’ (Labour Party, 2001) belied a growing gap between the rhetorical commitments of the party’s manifesto and what they actually achieved in government.

This section of the chapter considers the ways in which SE was thought of by government between 1997 and 2007. It looks at the nature of SE related policies formulated during this period, drawing on original research conducted for this thesis, through elite interviews and documentary analysis. Using this research, it characterises the Blair Government’s approach as being focussed around the ways in which SE could be supported to become a major alternative provider of public services, combining the perceived best qualities of public and private provision. Secondly it considers the extent to which SE was viewed as a way to add substance to the Third Way agenda, transcending the divide of Old Left and New Right through its synthesis of public and private values. The following section looks at these issues in detail.

6.1.1 - SE and the Reforming of Public Services

New Labour set out with the explicit intention of recruiting SEs to help reform public services. The Prime Minister’s first SE strategy published in 2002 described how it: ‘offers radical new ways of operating for public benefit […] combining strong public service ethos with business acumen’. This, he argued, would create services ‘highly responsive to customers and with the freedom of the private sector – but which are driven by a commitment to public benefit rather than purely maximising profits for shareholders’ (DTI, 2002, p.5). Patricia Hewitt, then Secretary of State for Trade and Industry (2001-2005), added that, ‘there are very real opportunities […] to promote [SEs] as a key component in the process of modernising and reforming our public services’ (DTI, 2002, p.6).
The language used by policy makers to discuss SE at this time focussed on its ability to support key government policy ambitions and, in particular, its potential as an alternative means of delivering public goods. The then minister at the DTI, Stephen Timms (2002-2004) set out the reasoning behind the government’s initial interest at the launch of the 2002 SE strategy:

What we are looking for, then, with this strategy, is for the creativity and energy, which characterise our entrepreneurial private sector at its best to be focused as well on the big social challenges which face us. That is how we see the value of [SE]. We want [SE] to play an increasingly large role in contributing to some of the Government's key policy objectives:

- Driving up productivity and competitiveness;
- Promoting social inclusion and neighbourhood regeneration;
- Developing new ways to deliver public services; and
- Building social capital and active citizenship (Timms, 2002).

From an early stage, SE was viewed as a means to support the government’s own policy objectives. The subsequent policies set out in the strategy, whilst diverse, contributed to this aim by ‘creating an enabling environment’, ‘making [SEs] better businesses’ and ‘establish[ing] the value of [SE]’ (DTI, 2002). In policy terms it fell under five distinct areas: i) improving access to finance ii) raising the profile of SE iii) improving access to public procurement) iv) fostering an enabling environment within Government and v) developing SE business skills. Of these, the first three were most widely publicised by the DTI. A survey of press releases issued by the DTI on the theme of SE between 1997 and 2007 reveals that improving access to finance accounted for 30% of SE related press releases. Fostering an enabling environment; 28%, raising the profile of SE accounts for 25% and improving access to public procurement: 14% (see Figure 1). These policy areas, which account for more than two thirds of press releases issued on the subject of SE indicate the government’s focus on growing the capacity and reputation of SE with a view to developing its role in supporting the provision of public goods.
Despite the varied approach to SE policy, junior ministers within the government had ‘no doubt [the Government] was about transforming and reforming the public sector [and] SE was a key means of public sector reform’. A senior civil servant described how this overriding sentiment within government led to the belief that ‘doing public sector work would be good for [SEs]’ as well as for service delivery. There was a clear commitment at the earliest stages of SE policy formation to supporting the growth of specific forms of SE to this end.

This commitment was so prominent that a key voice within the SE community described the government’s approach as ‘dogmatic’. She remembers, ‘saying to one of the civil servants at the time, why is the [SE] strategy only talking about public service delivery’ to which they are said to have replied ‘because we want to focus on the role of the public sector’. Another senior civil servant avers that SE policy was

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11 Data drawn from a survey, conducted for this research, of government issued press releases containing the phrase ‘social enterprise’ (and derivatives) between 1997 and 2007. Grouped into the five most prominent themes.
13 Civil Servant 1, interviewed 21st July 2017.
14 SE Practitioner 1, interviewed 24th July 2017.
15 SE Practitioner 1, interviewed 24th July 2017.
‘partly about understanding how to get mainstream businesses to do things differently but also [exploring] how they could become a mechanism for a more user focussed, client focussed way of delivering public services’.16 There is a broad consensus among the sources interviewed for this research that the New Labour governments of 1997-2007 were specifically focussed on how SE could be used as an alternative vehicle for the delivery of public services. This was reaffirmed in the 2003 progress report which listed five highlights of the previous year and four priorities for the next, half of which were dedicated specifically to the role of SE in service delivery (DTI, 2003, p.8). It was further supported by the cross cutting Treasury review (HMT, 2002) which assessed the role of the voluntary and community sector in public service delivery.

The Treasury review (The Role of the Voluntary and Community Sector in Service Delivery) set out the Government’s intent to ‘reform the operation of public services and build a bridge between the needs of individuals living in those communities and the capacity of the state to improve their lives’ (HMT, 2002, p.3). Although concerned with the broader VCS, many of the specific recommendations emerging from the review reflected the broader policy aims as related to SE. They focused on building a more enabling environment within government, improving understanding and support; developing the capacity of SE with improved access to suitable finance, measuring performance and improving business skills (HMT, 2002, pp.37-46). All were designed to bring about ‘fresh ways of thinking through the role and structure of government and the voluntary sector and the way we deliver public services’ (HMT, 2002, p.3).

As one senior minister put it, SE ‘became the panacea we were looking for, it played well to the back benches and the ones opposite […] people could get behind the idea of charities and [SE] reforming old ways which had been proven to be clumsy’.17 Not only was SE a means by which to change the way services were delivered, but it also offered an opportunity to do this in a way which could appeal to the government’s political base in Westminster: ‘Tony Blair thought that some kind of outsourcing was going to be needed in areas like the health service, he also knew that it would be

16 Civil Servant 2, interviewed 14th July 2017.
anathema to many of his MPs; SE they could back but they couldn't possibly have backed privatisation’. SE was perceived by government as a delivery agent that could simultaneously transform public services, maintain public service values and appeal to the Government’s political base in Westminster.

Central to the Blair government’s interest in SE was the view that it could act as a means by which to combine the best of public and private and that it could help to reconcile a ‘strong public service ethos with business acumen’ (DTI, 2002). This, in turn, contributed to New Labour’s wider governing agenda; helping to add substance to the Third Way concept with tangible policies that demonstrated the rebalancing of state, society and markets in practice.

6.1.2 - SE as an Embodiment of the Third Way

The New Labour Administration was keen to add substance to its Third Way agenda which, since its inception in the UK, had been criticised as empty ‘rhetoric’ and ‘soundbite’ (BBC, 1998). With a desire for new policies that could help to bolster the modernising image of New Labour, SE offered a means by which to symbolise a Third Way which went ‘beyond an Old Left preoccupied by state control, high taxation and producer interests; and a New Right treating public investment, and often the very notions of ‘society' and collective endeavour, as evils to be undone’ (Blair, 1998). A senior civil servant describes how ‘SE chimed with New Labour, modernisation and reform which was all about the state being the problem’. The revival of interest in the SE model came at a time when the Labour government was ‘looking for new things. It mattered as much that this wasn’t the old fashioned state sector approach as it did that this wasn’t just another route to private sector outsourcing’. For New Labour, SE represented an alternative to the public-private binary. It offered to bridge the divide between the strong social ethos of public service and the entrepreneurial drive and the business acumen of the private sector (DTI, 2002, p.5). In this sense it became an important pillar in the Third Way agenda which set out to redraw the

18 Civil Servant 1, interviewed 21\textsuperscript{st} July 2017.
19 SE Practitioner 4, interviewed 20\textsuperscript{th} September 2017.
20 Civil Servant 2, interviewed 14\textsuperscript{th} July 2017.
boundaries between state, society and markets (Field, 1998 quoted in Powell, 2000, p.50).

This view appears to have dominated the thinking of ministers in Blair’s premiership. One describes how ‘in a very macro sense’ the Third Way was about moving on from notions of ‘private good, public bad or private bad public good, typical of old Tory or old Labour ideas’. SE was considered among policy makers, then, as way of ‘squearing the circle’ when it comes to ‘people who want to make money but do good in the world’.

One minister describes how this manifested itself in the form of a medical supply contract he was responsible for overseeing. Whilst these medical supplies had previously been sourced in-house, by the Department of Health, civil servants had reported that delivery times ranged from ten months to beyond a year from the initial order and that as a result the supplies were not useful when they eventually reached the intended patient. The minister looked to outsource the production of these supplies and was approached by a SE which offered to decrease the turn around to just 6 weeks, eventually going on to achieve this in practice. He commented: ‘that really did persuade me that a system that had so many various technical pathways, that you could cut through all that and get to something that delivered outcomes to patients or clients in a more innovative way and at slightly cheaper costs’. SE was considered by ministers and civil servants to offer an innovative way to solve public service dilemmas that harnessed the supposed best of the public and private sectors. This grew out of a desire to develop the Third Way governing agenda and find a policy area which could help to add substance to these aims.

This view was observed by those working in SE itself. A senior national representative of the sector describes how: ‘there was an ambition to change public services and an interest in the language of SE […] it was very much of the Blair, New Labour, Third Way approach’. SE became shorthand for these values and key voices in the sector

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began to doubt the extent to which New Labour was genuinely committed to the alternative business model or simply wanted to develop an otherwise hollow concept:

I think Blair, like Cameron, saw the political opportunity it presented but there was no sincere or genuine commitment to [SE]. Despite it being the Third Way I never got the sense that [New Labour] was that interested or invested in [it]. [They were] interested in redistribution and doing good things but […] had no commitment to the model of how you deliver it.  

This view was shared by three other interviewees from the SE sector who strongly rejected the idea that New Labour demonstrated any serious commitment to SE beyond using it to advance its own political modernisation agenda. Contra this perception, a senior minister interviewed argued that whilst SE was certainly considered as a:

Third Way policy this was not an entirely symbolic commitment. It was viewed as a crucial means by which to diversify the way essential services were delivered in key policy areas such as the NHS. To this end SEs would be supported to grow, to become self-sufficient and to professionalise.

The Blair governments viewed SE as means by which to reform public services whilst simultaneously adding policy substance to the Third Way governing concept. SEs were conceived of as agents that could help to transform the way public services were delivered in the UK. Rather than seeking to support the sector on its own terms, the government determined how SE could best suit its agenda and instilled a range of policies to shape SE’s development in this way. The idea that SE could play a significant role in reforming the delivery of public services allowed the Government to move beyond the Third Way dilemma set out by Blair in his 1998 Fabian pamphlet: ‘Old Left preoccupied by state control, high taxation and producer interests; and a New Right treating public investment, and often the very notions of 'society' and collective endeavour, as evils to be undone’ (Blair, 1998). It could embody the principles of the Third Way alternative and allow the Government to demonstrate that its agenda had substance. To this end the New Labour government of 1997-2007 developed policies that would shape SE to become civil society driven, privately

financed organisations capable of delivering major public services with the efficiency and responsiveness of the private sector with public sector values that put the customer and community before the shareholder.

Support for SE, then, focussed on growing its capacity to deliver major public services under Blair. This would change under the subsequent Brown Government. For the latter, SE was viewed more as a means of developing community engagement and small scale social projects. This conflict of vision played out against the backdrop of well-documented rivalries between the two political camps in government. As each competed to promote its own agenda, the way SE was conceived of, and shaped, by government changed.

Despite the rhetoric surrounding the idea of devolving autonomy away from the centre, the view from the SE sector was that the Blair Government had actually retained a command and control approach and had sought to establish SE as an alternative deliverer of public services. The government showed itself to be strong and directional; it was ‘dogmatic’ in its treatment of the movement and shaped SE to be public service focussed regardless of the will of the sector itself. The ‘language of [SE] was hijacked’ and elements of the sector felt that government was ‘taking over’. SE came to be closely associated with the Blair Government’s Third Way agenda between 1997-2007. It was used to help develop the concept of the Third Way to show how a middle ground could be found between the values of public service and the efficiencies of the private sector. SE was championed by government precisely because it could be made to complement their own governing agenda at that time.

In this way SE did not constitute a challenge to the BPT, but a continuation. As the likes of Marsh (1980), Marsh Richards and Smith (2001) and Hall (2011) argue; the emphasis (when it came to the government’s relationship with SE) remained on strong, rather than responsive government, and centralised, rather than dispersed power. The executive pursued its own public service focussed agenda for the movement from the start, because that is what they set out to achieve by supporting its emergence in the

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28 SE Practitioner 1, interviewed 24th July 2017.
30 SE Practitioner 1, interviewed 24th July 2017.
UK. It was the ‘panacea [they] were looking for’\textsuperscript{31} and to them, SE was a ‘key means of public sector reform’.\textsuperscript{32} What Marsh (2003) called the ‘conservative notion of responsibility’ created dominant governing institutions which retain clear responsibility for enacting policy in the UK. Whilst SEs themselves may have sought a more diverse support from central government their preferences were overridden in favour of an agenda which focussed on how SE could best serve the requirements of the government which wanted to ‘focus on the role [SE could play in] the public sector’\textsuperscript{33}, namely helping to diversify the way in which public services could be delivered. In the case of SE policy, ministers and civil servants appear not to have been concerned with the diverse wishes of the sector itself, but viewed SE primarily in terms of how it could complement its own, centrally determined, objectives. The strong, centralised nature of the government’s treatment of SE, set out in this section shows that its emergence did not provoke a change or serious challenge to the dominant political traditions which inform decision making in the UK and promote strong rather than responsive decision making (Marsh, 2003, p.4).


A consensus exists among the sources interviewed for this research that the conflict between the Blair and Brown factions within New Labour had a significant impact on the way SE was viewed and supported under their respective governments. These differences appeared to be both personal and political. Some ministers stymied progress on SE policy prior to 2007 because they viewed it as a distinctly Blairite project while some held deep held views that SE should not be considered as an alternative means through which public services could be delivered. This section explores this conflict before assessing the specific vision for SE fostered by the Brown government.

The well-documented conflict between Blair and his Chancellor, which came to be known as the ‘TB-GBs’ (Rawnsley, 2001) led to a series of frustrations in the progress of SE related policy. The CEO of a major SE in the UK, who campaigned to extend state-support for SE, describes how ‘the government wasn’t the government; it was

\textsuperscript{31} Minister 4, interviewed 25\textsuperscript{th} July 2017.
\textsuperscript{32} Minister 3, interviewed 25\textsuperscript{th} July 2017.
\textsuperscript{33} SE Practitioner 1, interviewed 24\textsuperscript{th} July 2017.
New Labour versus established Labour’. She gives an example of a specific ‘Brownite’ minister who made the roll-out of SE into traditional public sector policy areas their ‘red line against the Blair government’ adding that ‘it was very much a Blairite agenda and if you were on board with Brown, you rejected SE’. This view was supported by a senior civil servant who described what she called ‘Brownite’ ministers within the department being the ‘real enemies of SE’. She recalls how one Brownite minister: ‘did [their] best to block progress on SE. [They] sat on papers, wouldn’t make decisions. Fortunately, [they were] promoted […] and [another minister] took over. [They] could not have been more different: supportive, appreciative, hard-working: a Blairite’. This became so difficult that in 2001 Brownite ministers, along with the Treasury, delayed a sector consultation report for over three months which civil servants had previously been told was urgent and required immediate input from SE stakeholders. The civil servant describes the subsequent difficulty of trying to maintain relations with the SE sector at this time and how indifferent the ‘Brownite ministers’ appeared to be to these strategic stakeholder relations.

When interviewed, senior and junior government ministers reiterated this view, emphasising the difficulty of navigating the political landscape at that time. One junior minister described it as: ‘two horses you tried to ride simultaneously, and it was quite uncomfortable’. Another senior SE practitioner described how: ‘Brownite ministers sat on things and slowed them down. The whole ethos was you had to think how will this play with Blair and Brown and it was completely ridiculous. There were Brownite ministers who were absolutely hostile’. This conflict, founded in broader power struggles within government, resulted in a context in which SE policy was used as a political football.

34 SE Practitioner 5, interviewed 18th October 2017.
35 SE Practitioner 5, interviewed 18th October 2017.
36 Civil Servant 1, interviewed 21st July 2017.
37 Civil Servant 1, interviewed 21st July 2017.
38 Civil Servant 1, interviewed 21st July 2017.
39 Civil Servant 1, interviewed 21st July 2017.
40 Minister 3, interviewed 25th July 2017.
41 SE Practitioner 6, interviewed 19th October 2017.
As well as this factional conflict, substantive differences in perceptions of the role of SE are also apparent within the accounts of policy makers. One junior minister describes how these divisions were set out:

[Blair] wanted to see large chunks of the public sector run by [SE]. He would have had [SE] prisons, probation services, there were lots of areas where he did try to make that happen. But Gordon [Brown] and Douglas Alexander and Ed Miliband were less keen on that aspect of it and were more about unleashing the community talent and providing a vehicle for innovation and getting communities to take more control and have more impact and help each other out, to get away from dependency on the state but in a very Brownite way [...] it was less of the spinning out of things under Blair.  

Over SE policy, two camps within New Labour formed on the basis of factional rivalries and substantively different views of the direction SE should take and the role government should play in supporting it. The next section looks at how the Brown government’s view of SE differed to those between 1997-2007 arguing that a greater focus was placed on small-scale community enterprises without consideration for areas of public service traditionally the preserve of the public sector.

6.2.1 - SE as community innovation

After 2007, much of the Blair Government’s SE agenda remained intact. Of those press releases issued on the theme of SE during the Brown Government, the focus on access to finance remained most prominent at 28%. Fostering an enabling environment continued to be the second largest area of focus at 24% and improving access to public procurement for SEs took third place at 21% [see Figure 6.2]. Despite a broadly similar approach in the development of SE policy, there was shift in the way the sector was conceived of and discussed. One senior civil servant describes how, under the Brown Government, the focus shifted from commercial SEs seeking to takeover and run complex public services towards smaller, community-focussed, support organisations:

Certainly at the beginning of the SE movement a lot of that had been dominated by the business side and then as it moved across more and more

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42 Minister 3, interviewed 25th July 2017.
was done to encourage voluntary and community organisations to think of themselves as [SEs] and act as [SEs] which is different.\textsuperscript{43}

There remained some interest in the role of SE in service delivery (as set out in the 2007 final report on the: ‘future role of third sector in social and economic regeneration’). This shifting focus became clear to ministers charged with overseeing this change (Cabinet Office, 2007 B). One junior minister in the Cabinet Office told of how: ‘the pressure [on me] did change. I was less enthusiastic about the spin outs and more interested as a minister in unleashing the talent and energy in our communities’. He adds that it was: ‘for us a private plus public plus third sector equals more not public plus reformed public with bits of it becoming [SEs] would achieve more. We were more interested in adding on to, not re-baking, the cake’.\textsuperscript{44} Rather than instilling wholesale change in the way crucial services were delivered, SE under the Brown government, was viewed as a way to encourage greater community innovation with an explicit focus on SEs like ‘community centres […] that just want to run themselves for a profit so they can generate and maintain and sustain themselves’.\textsuperscript{45}

![Pie chart showing areas of SE Policy 2007-2010]

\textbf{Figure 6.2 Areas of Government Focus on SE Policy from 2007 - 2010.}

\textsuperscript{43} Civil Servant 2, interviewed 14\textsuperscript{th} July 2017.
\textsuperscript{44} Minister 3, interviewed 25\textsuperscript{th} July 2017.
\textsuperscript{45} Civil Servant 2, interviewed 14\textsuperscript{th} July 2017.
The idea that the Brown government viewed the role of SE as principally supporting small-scale social regeneration is compounded by Brown’s forward to the Cabinet Office report *The Future Role of the Third sector in Social and Economic Regeneration: Final Report* (2007):

> At the heart of our approach is our desire to support those thousands of small community organisations who play such a vital role [in] our society […] We are investing in small grant schemes and endowing communities to allow local people to make decisions locally about how their groups can build communities and change lives (Cabinet Office, 2007 B).

Whilst the Brown government continued to pursue policies that supported the role of SE in service delivery, the focus had shifted from Blair’s ‘radical new ways’ (DTI, 2002, p.5) of delivering public services to Brown’s more conventional vision of SE as an additional thread in the fabric of the civil society which could ‘contribute to public policy objectives’ (OTS, 2007, p.5). This view was perpetuated by the belief that Brown viewed the state as ultimately responsible for services and that this could not be replaced by well-meaning alternative business forms which did not possess the capacity to effectively takeover complex services. There was a clear rhetorical gap between the Brown Government’s avowed approach to greater devolution at the community and voluntary group level and their more dirigiste and controlling tendencies in practice.


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46 The role of SE in service delivery was not entirely forsaken by the Brown Government. Reports such as the December 2008 *Partnership in Public Services: the Public Services Action Plan Two Years On* (OTS, 2006b) indicate a continued commitment to SE playing some role in service delivery but this is grounded in the wider context of the Brown Government’s belief that SEs were not capable or desirable to take over the delivery of major or complex public services.

Where the 2006 report (p.49) described how government would seek to ‘positively encourage [SEs] involvement in the design and delivery of public services’ the 2007 (p.5) update merely argued that SEs had the capacity to contribute to the government’s aims and objectives:

[SEs] have the potential to contribute to a range of government departments’ strategic objectives. OTS will support the departments in conducting market analysis and feasibility studies into areas where [SEs] can contribute to public policy objectives. (OTS, 2007, p.5).

The removal of references to SE’s role in the delivery of public services signals a shift in attitudes towards the role of SE between the Blair and Brown governments. Rather than a specific focus on the ways in which SE can be harnessed to run ‘large chunks of the public sector’ much less emphasis is placed on its ability or suitability to deliver major services. SE is considered, under the Brown government, more as a means by which to grow the work of small community organisations; a theme consistently indicated in the interviews conducted for this research.

Brown is described by a senior civil servant as having an aversion to SE as a large-scale alternative to the public sector in service delivery. She argues that he viewed SEs as ‘touchy feely kind hearted [organisations] who wouldn't want to sack people and really you needed a ruthless economy […] he was obsessed with our low productivity and his view was that SEs made this worse because they would not shed staff in hard times’. The belief that SE should not be viewed as a core alternative to public or traditional private sector outsourcing led to the Brown government reframing SE as an expression of smaller-scale community voluntary work.

Whilst the Brown premiership did not signal the end of a focus on SE policy in Whitehall, it did see a shift in the way it was considered. Brown’s government did not envisage or attempt to develop a SE sector intent on delivering major public services but, rather, saw it as just one of a number of third sector organisational forms that could add to the existing make-up of civil society working to innovate and strengthen local communities.

48 Minister 3 interviewed 25th July 2017.
49 Civil Servant 1, interviewed 21st July 2017.
50 Civil Servant 1, interviewed 21st July 2017.
Beyond their factional differences, the Blair and Brown governments had substantive differences when it came to conceptions of the role of SE in the delivery of public goods. Whereas the former saw a role for SE in replacing traditionally (major) public services, the latter envisaged SE as a smaller, community-led, affair which added to but did not replace the traditional delivery of public goods. In the case of the Brown government, this revealed a rhetorical gap between their overt calls for greater levels of devolution and their more dirigiste, centralising tendencies in practice. As one minister described: ‘Brown wasn’t all that interested in what [SEs] could do on a grand scale’ but was focussed on the role they could play at the local, community level.\textsuperscript{51} This was driven in part by their belief that SEs could not help to solve the problem of low productivity in the UK.\textsuperscript{52}

For the Brown Government, the context in which these debates on the role of SE took place were framed by the idea of the primacy of the centre in public service formulation. Whilst SE could support the delivery of additional or complimentary public services, they could not replace major public provision which government remained responsible for. Brown’s government was rhetorically committed to the idea of devolving autonomy away from the centre but ultimately reinforced a strong, core executive. As attitudes towards the role of SE changed, key civil servants became aware of the shifting focus of the government and began to reconceive the role of SE and their relationship with the sector.

The Brown government’s tenure was short lived. Its policy focus on areas such as improving business skills in the sector and increasing access to finance would eventually be taken-up by the incoming Coalition government which would prove to be much more concerned with opening up access to finance and private capital for SE.

Under the Brown Government, the focus on SE shifted from its characterisation as an alternative provider of major public services to a smaller scale, more community-focussed endeavour. The Brown premiership was shown to have altered the executive’s conception of the role of SE, and in turn the way it was supported and

\textsuperscript{51} Minister 4, interviewed 25\textsuperscript{th} July 2017.
\textsuperscript{52} Civil Servant 4, interviewed 27\textsuperscript{th} July 2017.
described by the government. The focus was now on encouraging ‘voluntary and community organisations’ to think of themselves as [SEs].\(^5^3\) A shift in the ‘pressure’ being placed on ministers by the centre of government was said to have resulted in the government prioritising ‘unleashing the talent and energy in our communities’\(^5^4\) rather than creating an environment in which SE could be supported to deliver major public services. Eventually any reference to public service delivery was removed from the Brown government’s review of SE in the UK (OTS, 2007).

What this reveals is that when the priorities of the executive changed, the way SE was to be conceived by the government, as a whole, changed with it. Brown’s government did not alter its conception of the role SE should play in society because it believed that is what the sector wanted; or because of any grass roots persuasion to this end. It altered its conception of the movement unilaterally because a change in executive leadership had provoked a different set of political priorities. SE, as an alternative deliverer of major public services, was (at least for now) no longer part of the government’s plan for the sector. This was because the Brown government simply did not believe it had a role to play in the area of (traditionally) public services and because the administration felt SE would be too ‘touchy feely’ at a time when the economy needed a ‘ruthless’ approach to productivity.\(^5^5\)

Whilst the Brown government’s approach to SE may have differed somewhat from the Blair administration, the tendency to centralise and shape conceptions of the sector did not. The ‘power concentrating governing code’ (Diamond, 2011) of the BPT pervaded the language of the Brown administration’s agenda which portrayed the state as ultimately responsible for services and irreplaceable by well-meaning alternative business forms which did not possess the capacity to effectively takeover complex services.\(^5^6\) This view that the state and centre knows best is typical of narrow, limited and elitist conceptions of the BPT which in turn encourages ‘power-hoarding’ by the core executive (Tant, 1993).

\(^{5^3}\) Civil Servant 2, interviewed 14th July 2017.
\(^{5^4}\) Minister 3, interviewed 25th July 2017.
\(^{5^5}\) Civil Servant 1, interviewed 21st July 2017.
\(^{5^6}\) Civil Servant 4, interviewed 27th July 2017.
The development of SE then (under the Brown administration) did not lead to a challenge or change to the dominant traditions embedded in the British political system. Rather the pervasion of the BPT was reinforced by a retrenchment of the dominance of the centre. Brown’s government unilaterally changed the government’s conception of SE and transitioned its support away from SE’s potential as an alternative provider of major public services, towards its role in small, localised, community projects, precisely because the centre viewed SE as ‘touchy feely kind hearted’ and ineffective.\textsuperscript{57}

6.3 - The Coalition (2010-2015)

In May 2010, the election of the Conservative-Liberal Democrat Coalition Government marked a significant adjustment in the focus of SE related policy in Whitehall and the way it was viewed by stakeholders and external observers. Whereas under previous governments the distribution of policy focus has been more diverse, under the Coalition attention shifted towards opening up repayable and equity finance to SEs. Throughout this process the needs of investor interests were perceived as being prioritised. In addition to this concerted focus on improving access to finance, the Coalition’s approach to SE is characterised as being eclipsed by the wider austerity agenda and reductions in public spending being made across Whitehall and the regions.\textsuperscript{58} This, it is argued, led to a reduction in focus on support for SE. Given the scepticism with which the sector broadly viewed the intent of the Conservative-led Government, SE became increasingly viewed as a means by which to acclimatise the public to greater levels of for-profit forms of privatisation in service delivery. Finally, SE is characterised as being adversely affected by the Government’s conflation with the broader Big Society agenda and the growing priority of introducing greater levels of community volunteering which obfuscated the concept of SE and repositioned it within the broader voluntary and community sector.

6.3.1 – SE: Focussing on Social Finance and Private Capital

\textsuperscript{57} Civil Servant 1, interviewed 21\textsuperscript{st} July 2017.
\textsuperscript{58} SE Practitioner 3, interviewed 25\textsuperscript{th} July 2017.
The focus on SE policy underwent a distinct shift from 2010 and is revealed to be overwhelmingly focussed on social finance and investment. A leading voice within the SE sector at this time describes how the Coalition ‘ditched the idea of having a [SE] strategy, they had a social investment strategy and put a huge amount of energy into the concept of social investment’ without ‘really thinking about what it ought to be invested in and how it connected up to actually having investable social ventures’.59 This view was supported by a senior civil servant serving during the transition who said ‘the Coalition government were far more interested in social investment than they were in [SE]. They put an awful lot of policy into that aspect of it rather than the actual sector’.60

A survey of press releases issued on the theme of SE between 2010 and 2015, conducted for this research, reveals that improving access to non-grant finance was by far the most frequently cited; accounting for 46% of SE related press releases, the highest proportion of any government since 1997. The second most common was improving access to public procurement at 21% and finally improving business skills of the sector and raising the profile and understanding of SE; both at 14% [Figure 6.3].

![Figure 6.3: Areas of Government Focus on SE Policy from 2010-2015.](image)

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60 Civil Servant 4, interviewed 27th July 2017.
61 Data drawn from a survey, conducted for this research, of government issued press releases containing the phrase ‘social enterprise’ (and derivatives) between 2010-2015. Grouped into the five most prominent themes.
This upturn in focus on access to new forms of finance for SEs was further evidenced by a senior minister responsible for delivering the Coalition’s civil society agenda who argued that “the bigger focus for me was on how we got more people to use social investment bonds to grow [SE] rather than develop some loftier notion of social entrepreneurship […] our conversations were generally around social investment bonds as a means of doing that.”62 Improving access to social finance became the principal concern of government’s support for SE during this period.

A civil servant who joined the social investment team at the Cabinet Office during the Coalition Government describes how ‘my introduction to SE and the remit of my team was very much to implement the social investment strategy and look at SE from that perspective’.63 She describes a ‘three pronged approach’ which sought to grow the demand for social investment, make SE investment-ready and create an enabling environment within government.64 This concern with social investment came at the expense of a broader approach to SE policy: ‘it was very much all about how we build a social investment market rather than how do we have an entrepreneurship strategy that’s focussed on SE’.65 Rather than continuing to nurture the sector through a suite of policies implemented in the previous decade, the Coalition put the majority of its focus onto progressing access to market finance for SEs.66 This led to claims from within the sector that government was more focussed on opening SE up to private finance than supporting its growth and development.67

A range of policies designed to support this agenda were introduced over the course of the Coalition Government’s five years in office. Encouraging and improving access to finance was a key priority for SE; from specific strategies dedicated to ‘growing the social investment market’ (HM Government, 2011) to the introduction of social investment tax relief. The Government was ‘determined to accelerate the growth of this market’ and prioritised ‘blend[ing] financial return with social impact’ (HM

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62 Minister 1, interviewed 22nd June 2017.
63 Civil Servant 5, interviewed 18th September 2017.
64 Civil Servant 5, interviewed 18th September 2017.
65 Civil Servant 5, interviewed 18th September 2017.
66 Civil Servant 6, interviewed 18th September 2017.
67 SE Practitioner 5, interviewed 18th October 2017.
Similarly, the Social Investment Awards would help to raise the profile of finance for SEs and contribute to the government’s vision of a ‘sustainable social investment market’ (HM Government, 2011, p.37).

A national representative of the SE movement described this focus on the social finance agenda as being ‘entirely driven by the needs of financiers to find a new asset class and more about finding opportunities to profit out of social causes than it has been about innovation and finding new models of delivery’.68 The suspicion held by some in the sector that government was prioritising the interests of capital through its focus on social finance is corroborated by a senior Coalition minister responsible for the Big Society agenda. He describes how he tried to think ‘from an investor standpoint’ believing that it was important to tackle the misconception that ‘if you’re [investing in SE] you have to expect lower returns and I don’t think that’s necessarily the case’.69 Government then turned to financiers to advise how to develop policies that would achieve these aims:

The government, rather than bring in [SE] leaders to design the mechanisms to attract capital decided the investors were the smart ones and it should be them who decide the product suite that became available […] there was definitely too much focus and voice given to the needs of the investors rather than the communities and [SEs].70

There was a clear concern in the Cabinet Office with social finance and the role SEs could play. Whereas under previous governments access to investment had been just one of a range of policies designed to support SE, under the Coalition it was pursued at the expense of these other policies.71 All of this played out against the backdrop of considerable cuts to public spending in the UK.

It was claimed by the Conservative Party that the Coalition government cut public spending by £14.3 billion between 2010 and 2013 (Merrick, 2017). Real terms changes in departmental budgets between 2010/11 and 2015/16 indicated that departments suffered an average cut to their budgets of 16% with the Department for

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69 Minister 1, interviewed 22nd June 2017.
Communities and Local Government worse affected at 51%. Just less than half of all departments had cuts of more than 20% (IFS, 2015). All interviewees for this research agreed that the level of these cuts to public spending and the wider austerity approach was a major factor in the government’s distraction from SE policy and support for the growth of the sector.

Even where the focus on equity capital differed from the preferences of SEs themselves, the Coalition pursued its specific focus on improving access to finance and investment for the sector. SEs become answerable to share-holders with return-driven interests. Their delivery of public services, owned in part by private capital, becomes a means by which to ‘get people over the hurdle that the supply side doesn’t need to be controlled by the public sector.’\(^{72}\) What began as a positive focus on the role of third sector actors in the delivery of services appears to have transitioned into a policy focus which conflicts with the desires of the SE sector.

The Coalition’s concern for social finance and opening up SE to the private sector was viewed by key figures in the sector as ‘entirely driven by the needs of financiers to find a new asset class’.\(^{73}\) The government’s focus on social finance was not in response to any particular demand from SEs, but an attempt to appeal to private capital; with ministers specifically trying to think ‘from an investor standpoint’.\(^{74}\) The Coalition government’s shift to a social finance focus, and its associated rhetoric of supporting the independence of SE as an alternative deliverer of public services, does not demonstrate a break from the dominant political tradition but a continuation.

6.3.2 - Austerity and SE

The Coalition government’s pursuit of austerity was invariably described by sources interviewed for this research as having a considerable impact on the development of SE policy in the UK. Policy makers discussed how the requirements to drastically cut public spending led to a lack of focus on smaller discretionary policy areas and SE

\(^{72}\) Minister 1, interviewed 22\(^{nd}\) July 2017
\(^{74}\) Minister 1, interviewed 22\(^{nd}\) June 2017.
sector representatives argued that austerity decimated the infrastructure and funding streams SE relied on.

A senior minister responsible for implementing SE policy under the Coalition government described how ‘at the end of the day we got very little done’ as ‘when Cameron came in we were dealing with austerity and there was just too many other bigger priorities for government and for businesses […] to turbo charge this’. He characterised the ‘austerity programme’ as a ‘handicap’ on SE policy arguing that ‘if it had been the go-go years of the 2000s things might have been very different but it wasn’t.’

The renewed focus on public spending levels emanating from the Treasury led to stagnation in focus on SE which, as one senior civil servant describes it, drowned in ‘a tide of wider macroeconomic policy and circumstances’. He argued that for a period of ‘ten or twelve years public and economic policy [was] dominated by cuts, cutbacks and rolling back the state […] you could say [SE policy and growth] failed but the size of the state shrank by 6% or 7% in that time, for anybody to take a bigger share in that growth in that period was going to be challenging’.

This period of austerity led to a substantially reduced focus on the ways in which government could support SE development, other than continuing to pave routes to more external finance and investment. SE leaders felt increasingly side-lined and their initial anticipation of and support for the Big Society agenda dwindled. This phenomenon was highlighted by the former Chief Executive of Big Society Capital, Cliff Prior, who said: ‘When the flag was planted high for social investment, it was at a time when massive austerity and cuts came in, and I think it was that combination that caused the backlash’ (Prior quoted in Kay, 2017).

Even senior ministers acknowledged the difficulties this presented in maintaining the confidence of the sector. One told that ‘it was always difficult to build trust in the Big Society project because it was seen as a cover for cuts’. This view was confirmed by
a leading national representative of SE who was heavily critical of the Coalition’s austerity programme and the way it had affected SE development in the UK:

The Coalition, from an ideological perspective, started driving savage cuts and […] SEs were seriously and adversely affected by that. It wasn’t just making less grants available it was about cutting whole aspects of public service delivery and all discretionary spend and many SEs were dependent on patchwork quilts of funding to make them work. I think austerity was awful and people talk about the impact on local government to this day. They had 50% of their budgets cut but I know SEs that have lost 80%, 90%, 95% of their incomes, it was savage.\(^{81}\)

Key voices within the sector felt that the scale of the impact of austerity on SE eclipsed work undertaken by the Cabinet Office to improve access to finance. It was not just reduced focus on ways to support the broader development of SE but a knock-on effect as cuts to other departments such as the DCLG led to a reduced income for many SEs which were reliant on public-sector contracts and grant-funding. As the Big Society coincided with austerity and significant cuts to the voluntary and SE sectors so it came to be known as a ‘toxic’ brand among the sector (Public Administration Select Committee, 2011).

This scepticism was exacerbated by a belief among SE leaders that these cuts were ideologically driven and the Coalition’s vocal support for SE, a facade. One leading SE representative described how ‘when I met Cameron I recognised that he was very Blairite in terms of his love of PR and I think his interest was purely superficial […] he was always content with going down a savage route of austerity’.\(^{82}\) The Coalition, he argues, ‘didn’t feel drawn down that route by the chancellor but ideologically they were up for it and had no real experience of the impact of those choices on the poorest communities in the country’.\(^{83}\) This led to an attempt to uncouple the government and SE by those in the sector who believed SE risked becoming ‘a Trojan horse for forms of austerity’.\(^{84}\)

This belief that the Big Society agenda had become subsumed by austerity was further evidenced when Liverpool City Council withdrew from the Big Society Vanguard

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\(^{84}\) Minister 1, interviewed 22\(^{nd}\) June 2017.
project in 2011 citing ‘government-imposed spending cuts’ (Butler, 2011). The Council’s executive argued that cuts to local government budgets had ‘seriously undermined’ the work of voluntary and community organisations in the city (Youde, 2011). The Government’s Big Society vanguard area project, which came with no direct additional funding for councils, was further criticised by the authority for not ‘remov[ing] some of the problems and blockages’ in the way of greater community delivery of services (BBC, 2011). Such a notable withdrawal from the scheme so early on dealt a significant blow to confidence in the vanguard project and the Big Society agenda more broadly. The government was seen to be putting rhetoric before reality and the substance of the commitment to greater devolution of autonomy was undermined by a lack of meaningful capital investment and significant counterbalancing cuts to funding at the local level.

A senior minister within the Coalition acknowledges that the SE sector became increasingly sceptical of the Big Society at this time and government’s support for SE as austerity reduced its credibility among sector leaders:

> We launched this at a time in which austerity was important. I think people accidentally conflated it with a desire to reduce the size of the state and thought this was part of a trick of government in austerity to get the private sector involved because maybe it will save us a bit of money.  

Although the minister denies that this was the case, the widespread belief among SE practitioners led to mistrust and the belief that SE was being shoe-horned to fit with the Government’s predetermined agenda of cuts to public services. One senior civil servant argued that ‘the Coalition had [this] top line programme that they put all their effort into and the whole relationship thing [with SE] seemed to fade’.  

She goes on to argue that reductions in public spending and departmental funding significantly negatively affected supporting infrastructure for SE:

> Think how much local authorities have been worn down, they haven’t got the staff, they haven’t got the time or people. I remember in the heyday of all of this we were saying every local authority must have at least one cabinet member and one official working with [SE]. Well that was okay in those days because there were plenty of people around, but they just couldn’t do that now [the Coalition were] just not interested, [they]

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85 Minister 1, interviewed 22nd June 2017.
86 Civil Servant 4, interviewed 27th July 2017.
decimated the department[s] and look what happened to local government as a sector.87

Drastic reductions in public spending and departmental funding had a considerable impact on the work of SE in the UK. It damaged relations between the sector and government and fuelled the belief that government was not genuinely committed to supporting the growth and development of the sector. Rather it was perceived as shaping the sector for its own ends; the delivery of privately funded services, of which SE could be the acceptable face. SEs felt that the sector was co-opted by the Coalition government to help deliver on their commitment to reducing public spending. The effect of this perception damaged relations between the two.

6.3.3 - SE Viewed as Leading to Wider Privatisation

Leading SE sector representatives feared that, far from being viewed as the optimum alternative to private versus public, SE was seen by the Coalition as a means to accustom the public to non-state service delivery with a view to introducing greater forms of traditional for-profit private enterprise. One SE leader said ‘they [the government] agreed services needed to be outsourced but they believed that they should go to profit making private sector companies’ adding ‘I could see huge amounts of the public sector going out to the private sector and then all of us retrospectively going ‘how did that happen?’’.88 The belief that it was the intention of the Coalition to extend the role of traditional private sector providers in service delivery is further supported by the admission of a senior cabinet minister that SE was employed to accustom the general public to this end: ‘There’s something about the name [SE] that makes people think it’s something good […] we used that to get people over the hurdle, that the supply side doesn't need to be controlled by the public sector.’89 He went on to give the example of the health service arguing that ‘people are obsessed in this country with government controlling the supply of healthcare […] people don’t want the private sector getting involved in delivering healthcare which I think is wrong […] [SE] is a more acceptable way to move in that direction’.90 He expanded on this

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87 Civil Servant 4, interviewed 27th July 2017.
88 SE Practitioner 5, interviewed 18th October 2017.
89 Minister 1, interviewed 22nd June 2017.
90 Minister 1, interviewed 22nd June 2017.
view by arguing that SE enjoyed a good reputation and allowed the idea of private provision to be imbedded in the minds of a sceptical public:

By simply having the tagline social in front of enterprise people are more accepting of it. If you use the word enterprise or entrepreneurs or venture capital people are averse to it. In their mind anything to do with making money in public service they have an aversion to […] SE is just a form of venture capital, it’s just the return is going to be slightly less than [usual].

That a senior minister responsible for SE policy in the government describes SE in this way highlights that the Coalition government had a keen interest in harnessing the concept of SE so as to soften the ground when it came to more traditional forms of privatisation. It suggests that the Coalition’s focus on SE demonstrated less of a commitment to an alternative form of private sector provision and more a means by which to accustom the general public to the concept of private provision in essential public services. A senior civil servant reflects on the ideas that ‘maybe some of us civil servants, and maybe some of the ministers, were a bit naive’ arguing that ‘I do worry in retrospect that I have played an unwitting part in contributing to the slippery slope of privatising public services, especially like healthcare’.

The Opposition Labour Party at that time also criticised the Government’s plans for SE as being designed to ‘capture the [SE] movement and use it as a means of backdoor privatisation’ (Jervis, 2013). These criticisms portray the concern at that time that the SE agenda was at risk of being co-opted by the Government to serve its own political ends.

These concerns were also held among SE leaders who were alarmed by ‘the creeping in of the pure private sector model’. One SE practitioner argued that ‘whatever was said about supporting [SE] it was very much: oh well, that’s a nice little thing to do but actually a whole life had started about externalisation of public services that was much bigger than SE’. The fear that SE was being used as the acceptable face of a more concerted effort to introduce greater levels of privatisation was also reflected in the comments of a civil servant who told of ‘encounter[ing] ideological criticisms that

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91 Minister 1, interviewed 22nd June 2017.
92 Civil Servant 1, interviewed 21st July 2017.
93SE Practitioner 1, interviewed 24th July 2017.
94 SE Practitioner 1, interviewed 24th July 2017.
a [SE] winning a contract is still privatising the public sector and […] there were critics in the field who were saying you’re still breaking down the public sector’. 95

These views were shared by some trade unions and anti-austerity campaign groups who also felt that SE was being used by the government to accustom the public to the private delivery of public services:

Some of these organisations are thriving but in the public eye will they simply be perceived as privatisation? Trade unions have stood against social enterprise for some time, and organisations like Stroud Against the Cuts have protested vociferously against social enterprises delivering public services (Black, 2013).

The belief that the Coalition was principally concerned with promoting SE to pave the way for more conventional forms of private sector provision impacted on levels of trust and relations both within the third sector and between it and the government. This mistrust and belief that SE may be acting as an unwitting cover for austerity damaged the reputation of the movement as a genuinely radical alternative to the public versus private binary. SE was viewed as having been co-opted by government to pursue its own governing agenda. This view was exacerbated by the belief that the Big Society more generally was impacting on the distinctiveness of SE and reducing it to a series of voluntary actions.

6.3.4 - The Big Society Focus on Volunteering Damaged the Distinctiveness of SE

Whereas a more concerted focus had been exercised under previous governments with dedicated SE units SE was considered by the Coalition to be just one part of the broader Big Society governing agenda. Interviewees argued that SE was overshadowed by, and conflated with, the commitment to increased levels of volunteering in the UK and the flagship National Citizen Service [NCS] policy.

One senior minister describes how ‘it was certainly secondary to the whole citizenship programme […] it was definitely made clear by the Prime Minister that that was his

95 Civil Servant 3, interviewed 10th July 2017.
priority’.96 This focus on increasing levels of volunteering was also remarked on by a senior civil servant who tells of how ‘they were more interested in NCS, because that was being driven from number 10.’97 With the NCS, the primary concern of the Government’s civil society agenda SE was at risk of being confused with voluntary work, a threat acknowledge by leading SE national representatives.

One argues that ‘the whole framing of SE within the Big Society was a kind of disaster […] I think in some ways SE is more misunderstood now than it was 10 years ago as a result of the Big Society agenda and mixing it all in with the voluntary sector’.98 He adds that ‘a grant dependent volunteering based thing is different to a business that needs investment. The idea that all SEs are small and fluffy and it’s all about community gardens and tiny little start-ups was a consequence of the Big Society discourse’.99 This view is shared by another senior SE representative who argues that SE ‘was completely misinterpreted to the point whereby everyone felt they were being asked to work a 40 hour week and then volunteer meals on wheels delivery, people weren’t interested’.100

By packaging SE with a swathe of policies aimed at regenerating community volunteering, the government conflated the two. SE representatives were keen to distance SE from the idea of voluntary and charitable causes synonymous with more traditional third sector organisations. SE was not given support to develop as a strong alternative, as the sector wished, and was instead re-incorporated back into the third sector with the only dedicated policy focus being that of social finance.

These factors cumulatively indicate the ways in which SE was shaped and reshaped by the changing priorities of government. The Coalition saw SE as a means to fill gaps in service provision created by significant reductions in public spending. They viewed the sector as well placed to accustom the public to the private provision of services, utilising the reputational capital of the SE brand. Where that capital was diminished

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96 Minister 1, interviewed 22nd June 2017.
97 Civil Servant 4, interviewed 27th July 2017.
by the effects of austerity and the growing mistrust that SE may be a ‘cover for cuts’\textsuperscript{101} it was eventually subsumed within a broader volunteering focus of the Big Society which itself was ultimately, and quietly, abandoned (Figure 6.4).

Even under the auspices of the Big Society, the Coalition did not successfully devolve autonomy to SE. Rather it shaped how it was conceived to serve its own governing agenda. It disproportionally focused its attention on opening SE up to private equity finance. It subsumed the movement into a response to its wider austerity agenda and ultimately refocused its conception, so as to position it back into the traditional, voluntary, charitable and third sector.

This section of the chapter portrays another government, with another set of political priorities for SE, resorting to the same command and control approach when it came to shaping the sector. For the Conservative-led Coalition, social investment was the priority area for policy development. Both civil servants and practitioners felt the government was ‘far more interested’\textsuperscript{102} in social investment and ‘ditched the idea of having a [SE] strategy’\textsuperscript{103} in favour of pursuing such an agenda.

\begin{figure}[h]
\centering
\includegraphics[width=\textwidth]{chart.png}
\caption{The Number of Times Per Quarter that David Cameron Mentioned the Phrase Big Society (and Derivatives) in Speeches Given as Prime Minister between 2010 and 2015.}
\end{figure}

\textsuperscript{101} Minister 2, interviewed 6\textsuperscript{th} July 2017.
\textsuperscript{102} Civil Servant 4, interviewed 27\textsuperscript{th} July 2017.
\textsuperscript{103} SE Practitioner 2, interviewed 30\textsuperscript{th} August 2017.
The Coalition’s focus on social finance was not encouraged or invited by the SE sector but was externally imposed and ‘entirely driven by the needs of financiers to find a new asset class’. Rather than presenting a means by which to devolve autonomy in service delivery to a quasi-public/private organisational form this chapter has shown that SE was viewed by the Coalition as a means to extend the reach of private investors into the social and community sphere. Ministers were consciously thinking ‘from an investor standpoint’ and using their influence to shape the sector to this end. Rather than suggesting that a change or challenge to the dominant political tradition has occurred in the UK, the Coalition’s focus on social investment policies mark a continuation of the dominance of the BPT.

This widespread perception among SE practitioners of the government being ‘far more interested in social investment than they were in [SE]’ also led to mistrust and the belief that SE was being shaped to fit with the government’s predetermined agenda of cuts to public services. It was constraining the sector for its own ends; the delivery of privately funded services, of which SE could be the acceptable face. SEs felt they were co-opted by the Coalition government to deliver on their commitment to reduce public spending. Rather than being supported to develop as a strong alternative, SE was instead re-incorporated back into the third sector with the only dedicated policy focus being that of social finance.

SE, under the Coalition, did not constitute a challenge to the dominant BPT. Power continued to be concentrated in the executive which unilaterally determined its policy priorities for the sector and enabled greater levels of austerity in areas of traditionally public services. The strong, centralised approach to decision making left SEs feeling increasingly excluded from the policy process with one describing how, instead of consulting the sector, the government decided that ‘investors were the smart ones and it should be them who decide the product suite that became available’. So, despite commitments to devolve greater levels of autonomy to SE, decisions continued to be made by the executive; resplendent of the type of strong, centralised and efficient government described by Marsh and Hall (2007, p.222) as being central to the BPT.

105 Minister 1, interviewed 22nd June 2017.
The development of SE under the Coalition, then, does not represent a divergence or challenge to the dominant political traditions of the British system, but a continuance.

6.4 - Conclusion

This empirical chapter set out to address the first research question raised in this thesis; how was SE conceived of and developed in practice under the New Labour and Coalition Governments from 1997 – 2015? The evidence presented in the chapter identified that the Blair governments of 1997-2007 principally viewed SE as a means by which to instil reform in public services and help develop the concept of the Third Way governing project. They sought to shape its development in the UK and establish SE as, foremost, an alternative provider of public services that adopted the best of public and private practice, regardless of the will of the sector itself. Where the wishes of SE and the government’s strategy for the sector diverged, the latter was shown to take precedence.

The chapter examined how the Brown government sought to redefine SE as a soft form of community service and innovation on a localised scale, whilst still accepting a modest role for SE in service delivery. The context in which debates on the role of SE took place were framed by the BPT and the idea of the ultimate responsibility of a strong core executive. The emphasis in the British system, as Marsh (2003, p.4) states, is on strong rather than responsive government and elite, centralised power as opposed to participatory democracy. This in turn helped to create ‘strong governing institutions with clear responsibility for policy and process (McManamon, 2012). Whilst SE could provide additional or complimentary public services, they could not replace major public provision which government remained responsible for. These displays of ‘power hoarding’ (Tant, 1993, p.94) continue to be informed by the dominant culture which ‘ensures that a power-concentrating governing code is entrenched in the British political system’ (Diamond, 2011, p.34). Brown’s government was rhetorically committed to the idea of devolving autonomy away from the centre but ultimately reinforced the concept of a strong, core executive.

Finally, the chapter explored how the Coalition Government diverted the majority of its policy attention towards growing the social investment market and shaping SE to
work in the interests of private capital, whilst equally conflating it with a growing agenda focussed on voluntary and charitable community self-provision. The Coalition was shown to have pursued its own specific focus on improving access to finance and investment for the sector, even where this differed with the demands of the sector itself. When austere economic policies impacted on levels of funding available to SE they were increasingly pushed towards new forms of private, largely equity, financing.

The delivery of public services by SE became a means by which to ‘get people over the hurdle that the supply side doesn't need to be controlled by the public sector.’\textsuperscript{108} The Coalition saw SE as a means to fill gaps in service provision created by significant reductions in public spending. SE was eventually subsumed within a broader volunteering focus of the Big Society which itself was ultimately side-lined.

Even under the auspices of the Big Society, the Coalition was shown to have been unsuccessful in devolving any genuine autonomy to the sector; again demonstrating the dominance of the BPT. Rather it shaped how it was conceived to serve its own governing agenda by a strong, centralised executive which is accountable but not necessarily responsive.

Understanding how each government during the period 1997-2015 has characterised SE and approached policy formulation to support its growth and development is crucial. In order to understand whether the rise of SE resulted in a challenge, or change, to the dominant traditions which shape the institutions and processes of the British political system, it is important to assess how each government saw its role developing and attempted to shape it to that end.

The evidence set out in this chapter has shown that, far from representing a challenge or change to the dominant traditions which shape the British political system, SE was constrained in its development by each successive government from 1997-2015. The emphasis remained on strong, rather than responsive government, and centralised, rather than dispersed power (Marsh, 1980; Marsh et al, 2001; Hall, 2011). Rather than devolving autonomy to the sector, each government sought to impose its own unique

\textsuperscript{108} Minister 1, interviewed 22nd July 2017
vision for SE, be that as an alternative provider of major public services, a smaller scale, more community-focussed endeavour or a means by which to open up SE to private finance and control in an attempt to offset a wider austerity agenda.

Government was seeking to constrain SE in a way that typifies the power-hoarding tendencies of the BPT. A political culture that, in the case of SE, continues to be pervasive in the way it informs decision making in British politics.

The next chapter will analyse the relationships within the SE movement, between SE and the wider Third sector and between SE and Whitehall. It will explore the power relations extant between Whitehall and the SE networks; characterising these relations and asking to what extent the inclusion of SE in policy making impacted on the network relationships that existed in the Whitehall system?
Chapter Seven – SE Internal Relations and Whitehall

7.0 - Introduction

The second empirical chapter of this thesis sets out to assess the nature of the relationships both within the SE movement, between SE and the wider third sector and between SE and Whitehall. It addresses one of the thesis’ key research questions: how may we understand the nature of the network relationships involving SE? Characterising these relationships allows us to understand the power dynamics at play between the core executive and the sector. It allows for an analysis of the extent to which the emergence of SE resulted in a change to these relationships which in turn impact on the continued prevalence of the BPT.

The evidence revealed in this chapter shows that the SE movement has been dominated by London-centric elite representative organisations that have been cultivated by government. These organisations were accused by local and regional SEs of helping to support the government’s agenda for SE as, primarily, an alternative means of delivering public goods. This created conflict within the sector that led to uncertainty within Whitehall.

Charities, cooperatives and voluntary organisations are shown to have perceived SE as a threat to their potential to attract both policy support and resources from government. In some cases, other third sector organisations were shown to have deliberately attempted to undermine the progress of SE. Relations between SE and the trade unions were equally hostile, with SE viewed as a threat to the public nature of public services and the interests of the union membership.

The chapter looks at relations between SE and Whitehall. Policy makers are shown to have resorted to consulting a limited number of ‘usual suspect’ elite representative organisations. Even with this group, where their wishes conflicted with that of government, they were ignored or overridden.

Finally, elements of Whitehall are shown to have actively resisted the progress of SE with some civil servants attempting to limit what they felt could risk becoming an
existential threat to centralised power. Here the influence of individuals within the structures of government is shown to be crucial.

All of this contributes to addressing a key research question of this thesis: how may we understand the nature of the network relationships involving SE? The findings contribute to debates within the governance and policy networks literatures in the UK and demonstrate that, in the case of SE policy, the core executive continues to be the primary and dominant force in the policy process. Successive governments are revealed to have shaped and determined the direction and membership of SE policy networks, drawing on their resource advantage, and resorting to hierarchical power where consensus could not be reached. In setting out these findings the chapter begins by considering the relationship within the SE sector itself.

7.1 - Internal Relations within the SE Sector

The evidence emerging from this research reveals that the SE sector, in the UK, is not a unified collective of organisations seeking similar outcomes from their engagement with government policy. Rather, it is divided on key issues including the extent to which government support for SE should be centred on improving access to public procurement and the delivery of key services.

A London-centric group of elite SE practitioners emerged, who became key consultees and influencers of the SE agenda in Whitehall. They began as individual SE leaders and developed into national SE representative organisations such as Social Enterprise UK (SEUK) -previously the Social Enterprise Coalition (SEC). A clear divide became apparent between the aims of these organisations and smaller SEs and SE practitioners in the regions.

One regional SE practitioner described how the representative bodies had ‘never been particularly consultative and […] got away with pushing certain agendas because nobody else is powerful enough to challenge [them]’.\(^{109}\) She argued that: ‘if you were to speak to the [SE] practitioners in the regions, for a long time you would have a very

\(^{109}\) SE Practitioner 1, interviewed 24th July 2017.
different view to that held by the [SEC] which was very much focussed on influencing this agenda as being public service focussed’.\textsuperscript{110} This disjuncture suggests that whilst SEs with a national focus were advocating a greater role in service delivery, those working primarily at the regional level had different priorities. The same regional practitioner went on to argue that the representative bodies were ‘quite domineering actually […] we were in a [...] coalition but it should probably have been called the “we want [SE] to deliver public services group”. That was the dominant agenda throughout it all, and then latterly social investment came on as well’.\textsuperscript{111}

The view that the national representative bodies were focussed on SE’s potential role in public service delivery was further confirmed by a leading figure in the movement. When asked about her priorities in dealing with government, she argued that public service delivery was seen as the key area where SE could really expand and where ‘a lot of business opportunities lay’.\textsuperscript{112} These views were corroborated in two other interviews with leading SE practitioners and national representatives.\textsuperscript{113} From these accounts it becomes apparent that whilst SEs held diverse views on how government could best support their growth and development, those with greater levels of access to decision makers in Whitehall clearly favoured a focus on improving access to public service delivery and procurement. This instigated a series of debates within the SE sector itself that would leave civil servants and policy makers with the distinct impression that SE ‘was a fairly inchoate frustration’ that was blighted by internal conflict and uncertainty over the direction it should head in.\textsuperscript{114} One regional SE practitioner described how above this cacophony the leading SE representative bodies worked on encouraging government to focus on their favoured policy area; opening up public services to SE:

We [in the regions] didn’t see that the delivery of public services was the be all and end all to policy and influence in SE. It’s my opinion that that came about because [large London-based SEs] were key in setting up the [SEC] […]. They saw an opportunity to capture that moment and make SE a really big business proposition in the delivery of public services […]. So civil servants who felt they were listening to what the sector wanted may well have been accurate from their point of view because they would have

\textsuperscript{110} SE Practitioner 1, interviewed 24\textsuperscript{th} July 2017.
\textsuperscript{111} SE Practitioner 1, interviewed 24\textsuperscript{th} July 2017.
\textsuperscript{112} SE Practitioner 6, interviewed 19\textsuperscript{th} October 2017.
\textsuperscript{113} SE Practitioner 7, interviewed 13\textsuperscript{th} October 2017; SE Practitioner 2, interviewed 30\textsuperscript{th} August 2017.
\textsuperscript{114} Civil Servant 2, interviewed 14\textsuperscript{th} July 2017.
SEs operating at different levels held diverse views on the direction of the movement. This is a key characteristic of internal relations within the sector at the time. Debates were ongoing as to whether SE should ‘fill public sector gaps [or] be a tool for changing the way the world operates’ (Seager, 2014). The large national representative organisations were given privileged status in this debate and the discourse within Whitehall (by virtue of their inclusion in the government’s SE networks). Their concurrence with the government’s views on the role SE should play in public service delivery, helped to shape the policy conversation in ways that did not necessarily reflect the interests of those smaller SEs operating at local and regional levels. These disagreements eventually came to be seen as infighting among policy makers who found it increasingly difficult to synthesise the demands of the sector.

A senior civil servant responsible for SE policy development in 2002 described how there were ‘a number of organisations trying to get something off the ground but these people could fall out among themselves so easily’. She told of the difficulty of navigating the sector and the growing reliance on representative bodies as an organised and more unified alternative. The convenience of working with organisations that claimed to represent the broader SE sector meant that these bodies quickly acquired more access to decision makers and, with it, influence to shape the agenda.

One leading practitioner who went on to lead a major SE representative organisation told of how ‘when we started it was completely fragmented’ and that ‘the forces of conservatism […] and just the kind of narrow way of looking at things are such that people really d[id] need to come together if [SE was] going to break through’. The reality appears to have been much more chaotic. Another senior figure within the SE movement described the challenges of trying to achieve this:

It was like herding cats. All these [SEs] had their own agenda. It took about 3 years. I remember chairing a meeting 3 years in and thinking that this is

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115 SE Practitioner 1, interviewed 24th July 2017.
117 Civil Servant 1, interviewed 21st July 2017.
the first time this [representative] organisation had functioned as a national body. These things don't happen quickly.\textsuperscript{119}

Internal relations among SEs were fraught with various competing interests attempting to shape the priorities of the sector. An example of how this difference was manifested was given by a regional SE practitioner who outlined a disagreement within the sector over the definition of SE. She described promoting a restricted definition which she intended to protect the integrity of the sector by guaranteeing limited profit distribution and protection of assets. She argued that the large SE representative organisations did not ‘really like it because [they] were quite happy to decide on a whim if organisations were SEs’; they opted instead for much broader and all-encompassing definitions.\textsuperscript{120}

The lack of cohesion within the SE sector on key issues such as these made it difficult for decision makers to identify a specific direction in which SE wanted the government to support its growth. Rather than attempt to account for these diverse and often conflicting viewpoints the importance of the major national representative bodies became increasingly favoured by government and a dependency relationship emerged. Conflicts like these were not, however, isolated to the sector itself. Sections of the broader third sector, cooperative and trade union movements became hostile to SE, seeing it as a threat to their own interests and influence. In turn, they attempted to diminish its reputation within Whitehall and, specifically, challenge the Government’s attempt to champion it as an alternative means by which to deliver public services.

The diversity of views within the SE sector, and the absence of any broad consensus on the direction it should pursue, allowed the Government to dominate and push through its own agenda. The complexity of SE policy networks allowed the core executive to determine their membership and privilege the voice of the large, London-centric, national representative organisations. The fragmented nature of the SE movement, and the diversity of competing views within it, provided the government with the opportunity to both maintain and extend its reach. The asymmetries in power and resources (a 2001 concept of Marsh, Richards and Smith’s, discussed in Chapter Three) present within these networks meant that the core executive could dominate policy making and in turn shape the development of SE in the UK.

\textsuperscript{119} SE Practitioner 6, interviewed 19th October 2017
\textsuperscript{120} SE Practitioner 1, interviewed 24th July 2017.
The findings of this research clearly indicate that, in the case of SE policy in the UK, a network existed that was consulted by the core executive, which in turn gave some legitimacy to the decisions they were making on the role and direction of SE in UK public service delivery.

The membership of this network was selected by government and made up of those large London-centric organisations which agreed with the core executive’s belief that SE should play a key role in the delivery of major public services. These were not organically emerging autonomous institutions as Rhodes (1997) argues, but a selected group of representative organisations coordinated by Whitehall which remained the fulcrum of the network.

The core executive (under Blair) utilised their resource advantages and their hierarchical power to select the membership of the policy network; giving greater access to those who supported their predetermined policy objectives of developing SE as an alternative provider of major public services. Rather than suggesting that states have been superseded by autonomous policy networks, the core executive is shown to have deployed its resource asymmetries and hierarchical power to coordinate and determine the operational parameters of their governance and network relationships with the SE sector (Holliday, 2000, p.175). The core executive effectively excluded those regional voices which had different priorities for how SE could be supported and shaped the nature of the discourse taking place within the network they chose to consult. Rather than suggesting that the centre has been hollowed out, the evidence set out here indicates that the government, through the complexities arising from a fragmented polity, actually maintained and extended its reach (Marsh, Richards and Smith, 2001).

Whilst the core executive and SEs in the network demonstrated some resource dependence on each other (for legitimacy and access to decision makers) it could not be said, as Rhodes (1997) argues, that they were shown to be autonomous institutions capable of resisting the will of core executives. Rather, they remained governed by hierarchy as the centre determined their membership and gave prominence to those organisations which shared its view for the role of SE in the delivery of public services. These organisations, empowered by this, then became even more dominant within the
movement itself at the expense of those, often regional, SE practitioners who did not believe the sector’s future lay in major public services.

The emergence of SE in the UK did not result in a shift of autonomy away from the centre or mark a period in which decision making became less hierarchical. SE networks were established and managed by the centre and, as section 7.3 shows, where the network and core executive disagreed on a policy, the latter exercised its hierarchical power with little concern for concepts of legitimacy or network governance.

7.2 - Relations between SE, the Third sector and the Trade Union Movement

As well as the conflict identified within the SE sector itself a significant resistance to SE from traditional third sector organisations, cooperative and trade union movements was identified through the research conducted for this thesis. The concerns of each were based around the idea that government focus on SE would diminish resources and opportunities for their own sectors and pose a threat to their status and, especially in the case of trade unions, their interests. The following section assesses these issues in relation to each specific sector.

7.2.1 – The Third sector

The traditional third sector (made up of charitable, voluntary and community organisations operating in the UK) was consistently referred to in interviews conducted for this research as hostile to the Government’s focus on SE. SE practitioners and policy makers described how they were dismissive, obstructive and acted to undermine the progress of SE as a potentially new way to deliver services and address social needs. This conflict appears to have been present from the start of New Labour’s renewed focus on SE in 2002 up to the end of the Big Society when key practitioners argue it finally ‘reabsorbed’ SE back into its ranks.121

A senior civil servant in the second Blair government described how in the early stages of ‘thinking about the definition there was some initial hostility from people like the

charity sector because they were concerned about what was going to happen here and business was pretty dismissive’. There appears to have been a hostile reception to SE which was viewed as potentially damaging to the existing status enjoyed by voluntary and charitable organisations. A leading SE practitioner described to this end how she thought ‘the traditional third sector did see SE as a threat’ adding that ‘that is risible because the size of SE was infinitesimal compared to the charity world’.

The perceived threat was initially linked to the establishment of the SE unit and the Blair Government’s renewed interests in SE as an innovative means of delivering public services. It was set against the backdrop of the Government’s third sector Review (2007) which set out a ten year strategy for working with the third sector; helping to inform the 2007 Comprehensive Spending Review. The TSR focussed disproportionately on the potential of SE within the third sector. SE was referred to 225 times in the report, with charities, cooperatives, voluntary organisations and community groups combined receiving just 158 mentions (Cabinet Office, 2007 B). SE was also the only organisation type to have its own dedicated chapter: ‘encouraging [SE]’ in which it was stated that government wanted to prioritise enabling SEs ‘to grow and thrive and that the conditions are created for the development of thousands more businesses’ (Cabinet Office, 2007 B). This led to concern among elements of the broader third sector that SE risked diminishing their share of funding and policy focus from the Cabinet Office:

Initially the third sector was very concerned about the [SE] unit. They were afraid the new kid on the block would steal their place at the table and they’d lose status and funding. The Labour government in the later 1990s and early 2000s was reviewing the third sector (including the charitable status of public schools and some private hospitals) so they were worried.

The renewed focus on the role of third sector organisations in the UK combined with the growing attention given to the new organisational form of SE stoked tensions between charitable, voluntary and community organisations who saw SE as potentially impacting on their income streams and the attention they received from government. The hostility that ensued was preceded, however, by an initial attempt to ignore SE. A

122 Civil Servant 1, interviewed 21st July 2017.
123 SE Practitioner 5, interviewed 18th October 2017.
124 Civil Servant 1, interviewed 21st July 2017.
senior civil servant described how: ‘they were dismissive, but then they are quite fat cats; the heads of large charities and the heads of the two large representative organisations. They came and saw my meagre resources and thought ‘phew we can relax chaps she’s not doing anything’.125 This account from the civil servant charged with developing the Government’s initial SE policy highlights how the traditional third sector was viewed as combative with regard to SE. Concerns surrounding the rise of SE among third sector organisations was not, however, limited to their impact on available resources and opportunities. Large representative organisations within the third sector are described as reacting against the potential of SE to completely redefine the sector, usurping organisations that were originally charitable, voluntary, community driven or cooperatives and encouraging them to become SEs.

The hostilities were so evident that a key SE practitioner reached out to the NCVO (National Council for Voluntary Organisations) in order to placate the concerns that had arisen:

I am sure the NCVO had quite a serious hand in it. We had a meeting in 2001 and I said we are not parking our tanks on your lawn. We are not about redefining charitable organisations; this is about social business. Yes there will be bleeding at the edges, that’s inevitable, because there will be charities that decide to become [SEs] and you should welcome that. I am absolutely sure that [the traditional third sector] was lobbying.126

Voluntary, charitable and community organisations and their representative bodies held concerns then over the extent to which SE might erode their membership and influence and acted to frustrate their potential to develop as a rival in this way. This combative relationship, under the Coalition government, developed into an attempt to reabsorb SE back into the third sector, to encourage government to view it as the same as the broader civil society movement and not as an innovative alternative; a leading SE practitioner described this process:

Certainly the traditional voluntary sector tried to reabsorb SE back, there was always this debate about whether SE was a noun or a verb; again that leads to the narrowing or confusing of what it is in people's minds. That's especially true in the minds of key people in local government, for example, who need new solutions at scale, they won’t see SE as a solution

125 Civil Servant 1, interviewed 21st July 2017.
126 SE Practitioner 6, interviewed 19th October 2017.
because their perception goes back to small and needy and the Big Society ideas.127

SE became increasingly conflated with the traditional voluntary, charitable and community organisations that derived large amounts of funding for non-repayable grants and donations, rather than seeking to derive their income from trade or paid-for services. When the Coalition’s Big Society idea began to emerge, the third sector was accused of trying to direct the agenda back towards volunteering and community work.

One senior SE practitioner during this time told of how ‘a lot of civil society organisations in the charity sector conveniently made it about philanthropy. It wasn’t just the government that messed that up’. He added that: ‘it was deliberately misinterpreted by civil society infrastructure and by sloppy lazy journalists and it became about everyone volunteering more and actually it shouldn't have been about that’.128 By attempting to shape the Big Society concept in this way the third sector tried to limit the focus on SE as the favoured form through which to deliver the Big Society, which was less about shaking up the way public services were delivered and more about increasing levels of volunteering and community action. This view is corroborated by another senior figure within the SE movement who argued that: ‘you had things all mashed up and merged with the voluntary sector so there was a whole thing with people from the traditional voluntary organisations trying to capture back SE and trying to control it. They were delighted when the [SE] unit got merged into the cabinet office’.129

References to civic and voluntary action formed a key part of the Coalition’s Big Society approach. A memorandum circulated in the early days of the new Conservative-Liberal Democrat administration declared how the government wished to ‘encourage people to take an active role in their communities [by] encourag[ing] volunteering and involvement in social action […] a range of measures to encourage charitable giving and philanthropy [and] introduce[ing] a National Citizen Service’ (Cabinet Office, 2010 B). This led to an increased focus on traditional voluntary and philanthropy third sector models which ran counter to the aims of SE in the UK.

This persistent view that ‘the traditional voluntary, third sector [was] trying to reign [SE] back in to a traditional philanthropy based concept\textsuperscript{130} led SE practitioners and some policy makers to argue that the wider third sector was openly hostile to the Government’s focus on SE and its potential role in the delivery of public services. A leading SE figure argues that this is because ‘we’re human and have self-interest and want to be the best and it is partly because, despite what everyone might believe, we do operate in a market’.\textsuperscript{131} This cautious approach to the rise of SE was extended to the cooperative movement who were described, in interviews conducted for this thesis, as hostile to the development of SE.

7.2.2 – The Cooperative Movement

Cooperative organisations and their representative bodies were described as both incubating and resistant to the development of SE in the UK. Interviewees for this research describe how they saw both the opportunities and pitfalls that a renewed focus on social business may have for their own status in Whitehall. A leading figure in SE during the launch of the first SE strategy (DTI, 2002) said that ‘the coop movement was very important in terms of incubating [SE] but at the same time some parts were very hostile to it. They saw SE as a dilution of cooperative values’.\textsuperscript{132} Whilst much of the same principles underpin SE and the cooperatives there is a strong contrast when it comes to how decisions are made. This difference played out in the drafting of the 2002 SE strategy.

The same senior representative of SE told of a conflict in the drafting of the first strategy to ensure that the definition of SE allowed for the inclusion of worker-owned and retail cooperatives to feature. He said ‘the coop movement nationally was very stale and was trying to reinvent itself. They had a coop commission, there were one or two progressive societies […] but there were others where you really struggled to see the difference between them and Tesco except Tesco is cheaper’.\textsuperscript{133} SE was seen as a potential opportunity to refresh the cooperative brand. A senior civil servant intimately

\textsuperscript{130} SE Practitioner 3, interviewed 29th August 2017.
\textsuperscript{131} SE Practitioner 3, interviewed 29th August 2017.
\textsuperscript{132} SE Practitioner 2, interviewed 30th August 2017.
\textsuperscript{133} SE Practitioner 2, interviewed 30th August 2017.
involved in this process confirmed the pressure coming from the cooperative movement at this time to ensure that the definition of SE was applicable to their model.\textsuperscript{134} The final definition determined that SEs ‘principally’ reinvested their surpluses back into the business and ‘primarily’ supported a social purpose to allow for cooperatives that shared their surpluses through dividends (DTI, 2002).

Both SE and the Blair government were sceptical of the cooperative movement’s reclamation of SE. One junior minister argued that: ‘the old fashioned co-op, the sort of Rochdale pioneer coop was seen to be a bit establishment. Part of what SEs were about was doing things differently to the establishment way of doing things in a quicker more responsive way to clients and needs’ adding that ‘I think maybe the coop movement was seen as one of those monoliths that was seen as part of the problem and not part of the solution’.\textsuperscript{135} This contrast, he pointed out, was due in large part to the different ways decisions were taken by each model:

> When you go into a coop, the underlying value base is that decisions get made by consensus. There’s a lot of consideration about process and so on. Most of the SEs wanted none of that. SEs were asking, not only the coop movement but also the big organs of the state, could there be a leavening of the monolith to try to shake it up and show how it could be done differently?\textsuperscript{136}

SEs were considered by both themselves and the government as a new form of social business capable of delivering innovation in service delivery. They combined efficient decision making with strong social values. Rather than being founded on principles of collective decision making the SE model encouraged entrepreneurial individuals to set up and run profit-making businesses that tackled a need they identified in the community or offered a more efficient and innovative way to deliver heretofore public services. This led to suspicion and mistrust within the trade union movement which saw SE as a threat to both collective bargaining and the continued public sector delivery of key services.

\textbf{7.2.3 - Trade Unions}

\textsuperscript{134} Civil Servant 1, interviewed 21st July 2017.
\textsuperscript{135} Minister 3, interviewed 25th July 2017.
\textsuperscript{136} Minister 3, interviewed 25th July 2017.
SE was viewed from the outset as a threat to the public sector by many of Britain’s largest trade unions. Ministers and senior SE practitioners described the hostility of the trade unions to the concept of SE in service delivery and their outright resistance to its roll-out under the Blair, Brown and Cameron governments.

A senior member of one of the largest SE representative bodies argued that ‘the trade unions bloody hated [SE]. It was partly protectionism but also partly about the privatisation of the public sector by the back door’. 137 The apparent fear that encouraging public sector outsourcing to SEs would materially damage the membership, and influence, of the trade unions as well as the public nature of public services appears to have driven a bitter rivalry between the two. One of the largest public sector trade unions in the UK described SE as ‘a leap in the dark that could have damaging implications for patients, staff and the future of the health service’ (McAnea, 2011). Public criticisms like these exacerbated hostility between the two.

One SE practitioner told of how she once attended a meeting of the TUC to discuss the role of the third sector and SE in public services. She described how, despite representatives from across the third sector being present ‘it was me they were targeting’. 138 Whilst facing criticism from the trade union representatives present for contributing to increased levels of private-sector outsourcing, she recalled an example of how they had once stood in the way of a SE gaining a public sector contract. She described how, instead, key trade unions enjoying close relationships with the Labour Party had lobbied ministers in favour of a private European firm to take on the work, which went on to be successful. She described her response to the committee:

I told that story to the fifty trade unions in the room and said ‘you have got to address that issue; you cannot hide from the fact there are groups of employees who are trade unionists in your organisations […] who want to deliver public services in a different way and to innovate and what harm does it do to do that? 139

That the trade unions would rather see foreign private companies delivering services than a domestic SE demonstrates their stern opposition to alternative providers of

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137 SE Practitioner 8, interviewed 1st November 2017.
139 SE Practitioner 6, interviewed 19th October 2017.
public services that threaten to undermine public sector delivery and, potentially, trade union membership. This point was taken up by a junior government minister who argued that the unions were concerned about SEs reducing their influence and membership:

Union resistance to [SE] was quite strong and I would encounter it a lot in the social care world. The reason was [SEs] were seen as a threat. I went to [a city] to meet with a group of [union] staff who were very angry with what was going on with social care because personal budgets, instead of funding a council service, could be used by the patient to choose how to spend the money. I went to a meeting between disabled people and the union to hear what was going on. It got to a point when one of the disabled people shouted at the union guy ‘look I want to choose who [cares for me] if you don’t mind’, at which point you were thinking the unions are utterly defeated because that is the truth.140

Trade union resistance to the use of non-public providers in areas like social care led to increasing tensions between the Labour government and its affiliates. The same minister argues that this resistance came from a fear that the rise of SE would lead to a decline in the influence of the union movement:

The unions were very resistant to SEs, they saw it as breaking up their union monopoly of negotiations with management inside the monolith of the NHS and they felt that SE wouldn’t be unionised because social entrepreneurs running them didn’t like trade unions because they were the dead hand which stopped them being innovative.141

Policy makers and leading figures in SE felt that the trade union movement was highly cynical in seeking to protect their own interests. Breaking up the public sector monopoly on service provision with a potentially compelling combination of private sector efficiency and public service values caused SE to be attacked by a movement they expected to be supported by. This was especially apparent given that, when working for themselves, SEs may well feel less inclined to unionisation. One leading SE representative argued that:

I do believe multi-stakeholder models of public service delivery are much more effective at meeting the needs of the intended beneficiaries than government controlled services. People like the unions, who should be our allies, often don’t like that, and what’s that about? It’s all self-interest from

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140 Minister 3, interviewed 25th July 2017.
141 Minister 3, interviewed 25th July 2017.
the unions. If the workers own the means of production what’s the role for the unions? It’s threatening and you get a violent reaction from those who should be your allies.\textsuperscript{142}

This violent reaction marked the union’s hostility to SE as it potentially threatened their status, position and the nature of public services. This level of resistance stymied progress on SE policy and added potential roadblocks to the path of ministers working to increase the role of SE in public services. The relations between SE and the trade unions, as this section has illustrated, were fraught with hostilities and mistrust. They led to SE facing additional barriers to its advancement and a challenge to its place in the third sector.

This section considered relations between SE, the third sector and the trade union movement. It identified resistance in the wider third sector to the perceived disproportionate focus on SE by the New Labour and, initially, Coalition governments. The cooperative and trade union movements were also identified as providing resistance to SE and seeking to frustrate its potential favoured position as an alternative means of delivering public goods. The concerns of each were shown to be focussed on the idea that the increased government attention paid to SE would reduce resources and opportunities available to the wider third sector, cooperative and trade union movement and pose a threat to its status and interests.

Even within the SE movement there was concern that specific groups were enjoying more privileged access and influence than others as government set about pursuing its own agenda informed by select SE representative organisations.

Clearly threatened by the emergence of SE which had captured the imagination of the government as a potential alternative provider of major public services, the third sector, cooperative movement and trade unions set about attempting to undermine confidence in SE. The New Labour government at this time (as discussed in Chapter Six) saw SE as an innovative concept that offered something new to help and helped to add substance to the Third Way approach. The traditional third sector, cooperative movement and the trade unions, on the other hand were viewed as very much part of

\textsuperscript{142} SE Practitioner 3, interviewed 29th August 2017.
the old way of doing things. Government ministers interviewed for this research were frank about the way they felt these sectors acted cynically to protect their own interests; being ‘old fashioned’ and ‘part of the problem and not part of the solution’. During the New Labour government SEs continued to be championed as an alternative means of providing major public services despite the concerted efforts of the influential traditional third sector, cooperative and trade union movements. The core executive had clearly determined that they wished to pursue this agenda and external resistance from other institutions or networks would be, and was, resisted. By dismissing the demands of the third sector, cooperative and trade union movements, the core executive demonstrated its willingness to ignore the concerns of competing networks when they did not correlate with the government’s own agenda which, in the case of the Blair government in particular, was diametrically opposed to the wishes of these movements. This again demonstrates how the state continues to retain a central role within the coordination of networks and remains willing to ignore these networks when their views clash with its own objectives. Rather than proving able to resist government direction as Rhodes (1992, 1997) suggests (see Richards and Smith, 2002, p.23 for more) the third sector, cooperatives and trade unions were, instead, side-lined by a core executive intent on developing SE as a means to deliver major public services.

7.3 - Relations between SE and Whitehall

Relations between SE and Whitehall were characterised, in the interviews, as being almost exclusively conducted between government and a limited number of elite SEs and their representative organisations. Those SEs operating in a local or regional context described feeling excluded from the process which delivered outcomes that were not designed to meet their needs. Where government disagreed with those SEs it did choose to consult, as in the case of the OTS’ transition to the Cabinet Office, it overrode the wishes and concerns of the sector in favour of its own plans.

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143 Minister 3, interviewed 25th July 2017.
144 Minister 3, interviewed 25th July 2017
145 SE Practitioner 1, interviewed 24th July 2017.
7.3.1 - Consulting the ‘Usual Suspects’

Whitehall is repeatedly described by sources as consulting a narrow group of the same elite organisations when it came to SE policy development.\textsuperscript{146} Rather than attempting to create a dialogue with individual SEs operating in the regions, civil servants increasingly turned to the same London-based national representative bodies. These, as discussed in a previous section of this chapter, had their own ideas when it came to how government could support SE which did not necessarily reflect the diversity of views held among the wider SE sector.

At least one of these representative organisations received direct start-up funding from the DTI to establish itself as a spokesperson for the sector. This ‘strategic funding’ programme was outlined as a highlight of the 2003 progress report on the government’s SE strategy. It referred to ‘supporting a strong and inclusive voice for the sector by providing strategic funding for, and working with’ SE representative organisations (DTI, 2003, p.10). Government, therefore, actively cultivated those organisations which would go on to become the recognised voices of the sector.

A civil servant described how a received wisdom was ‘passed down’ through the civil service, about which individuals and organisations were most relevant to consult.\textsuperscript{147} Another confirmed that when it came to locating SEs to speak with about proposed policies or strategies, ‘it was such a word of mouth thing’.\textsuperscript{148} When he was tasked with developing a specific support package for start-up SEs he described having to develop his own list of consultees. He said ‘we would sit there and say who should be involved? Who have we heard of, who can we visit?’ There were some who I suspect were politically favoured, liked by the minister for example. They would make sure you speak to so and so.’\textsuperscript{149} The means by which SEs were selected for consultation was based, in this instance, on who the civil servant had prior knowledge of. This same group of elite SE organisations and representative bodies thus gained a significant influence over how the government viewed the will of the sector.

\textsuperscript{146} SE Practitioner 2, interviewed 30\textsuperscript{th} August 2017.
\textsuperscript{147} Civil Servant 5, interviewed 18\textsuperscript{th} September 2017.
\textsuperscript{148} Civil Servant 6, interviewed 18\textsuperscript{th} September 2017.
\textsuperscript{149} Civil Servant 3, interviewed 10\textsuperscript{th} July 2017.
A Whitehall mandarin told of how ‘we used an inherited pool of accepted organisations at the time […] a pool of people well known to government, ministers and advisors’ to comment on the direction of policy. 150 This led to one regional SE practitioner arguing that: ‘when the civil servants you’re speaking to say that they were just listening to the voice of the sector what they’re saying is that they were listening to the voice of the [major SE representative organisations].’ 151 The view of those interviewed for this research was unequivocal about the extent to which the same elite organisations were consulted on SE policy. There was no appetite within Whitehall to reach out beyond the major SE representative bodies. To this end, one senior minister made clear how little value could be placed on the concept of a more diverse pool of consultees. He argued that meeting organisations or individuals with contrasting opinions ‘was a complete waste of time. Meaning that why do you have two different groups competing with each other, if there is a representative body of the [SE] sector, I just need one.’ 152 With such an explicit preference for a homogenous view, the ability of SEs to influence the direction of government policy designed to support their development was extremely limited outside of the major SE representative organisations.

Even the representative bodies reported having difficulties impacting on the government’s agenda. One senior SE leader described how the sector clashed with civil servants in attempting to influence the first SE strategy:

Once the [SE] unit was established in the DTI there was a period of engagement to develop the first [SE] strategy which was a real battle between us and the sector and the civil servants trying to close it down. We would get hold of a version of it via the political adviser and go through it with a red pen then it would go back and get bounced around and there were some compromises. There was a compromise over the definition of [SE]. We at the [SE representation organisations] had started off with one of the strands of it being social ownership and that was too strong for the DTI it sounded too radical for them and so that got amended in the definition.153

150 Civil Servant 4, interviewed 27th July 2017.
151 SE Practitioner 1, interviewed 24th July 2017.
152 Minister 1, interviewed 22nd June 2017.
It appears that the government resisted the influence of the sector in certain areas and that, whilst generally constructive, there was a combative character to their interactions. Where government disagreed the sector’s wishes were overridden, this was nowhere as apparent as during the SE unit’s transition from the DTI to the Cabinet Office and the creation of the new Office of the third sector.

7.3.2 – SE’s Resistance to the Move to the Cabinet Office

In May 2006 the Office of the third sector was created and responsibility for SE policy moved from the DTI to the Cabinet Office. In its new department, SE would have a dedicated third sector minister to champion it across Whitehall. The move was designed to ‘bring greater coherence to the Government’s approach to the sector’ (Cabinet Office, 2006) and was championed by senior civil servants who saw it as an opportunity to give SE ‘a voice at the very heart of government’. One described how the move was designed to help ‘mainstream [SE] thinking into that wider policy agenda and every big document that came out about the third sector would have engaged with and thought about SE.’ He reflected that ‘I think it increased its profile, its capacity and became more substantive […] they had access to the Prime Minister and Chancellor which they just hadn’t had before.’ Two other civil servants interviewed about this period agreed that the transition to the cabinet office was a good thing which helped to raise the profile and momentum of SE within government.

Despite assurances that the move would not seek to change SEs ‘ethos’ or government’s commitment to it as a form of business the sector reacted strongly and largely uniformly against the relocation. Sector representatives felt that moving responsibility outside of the business department into a mixed third sector brief would confuse SEs’ identity as, principally, social business. One senior figure in the SE movement told of how she was ‘very disappointed. I still think now that [SE] should be in the DTI.’ Another described ‘a lot of disquiet in the [SE] sector because we had moved from what was perceived as a business model to being lumped in with the

154 Civil Servant 2, interviewed 14th July 2017.
155 Civil Servant 2, interviewed 14th July 2017.
156 Civil Servant 8, interviewed 27th July 2017; Civil Servant 3 interviewed 10th July 2017.
157 Civil Servant 2, interviewed 14th July 2017.
158 SE Practitioner 6, interviewed 19th October 2017.
general voluntary and community sector.’ She added that ‘we’d be spending all of our time telling people [SE] was different from the voluntary and community sector and they lumped us all in with the third sector.’\textsuperscript{159} Key leaders of the SE movement attempted, unsuccessfully, to resist this move, which they argued had been carried out for internal political reasons:

> I fought very hard for SE to stay in the DTI and I lost that battle. We were in the DTI and that’s where I thought we should be as we were social businesses. But after the 2005 election, it was one of those political decisions that was nothing to do with the right and wrongs. Ed Miliband became Secretary of State at the Cabinet Office and Number 10 wanted to give him a bigger brief so they moved [SE] from the DTI to the Cabinet Office to give him a much meatier brief. I went to him within 24 hours and said to him these are businesses you have inherited, they are not charities, and you need to go out and see them. I harassed the man and his adviser and he got it. It was probably the most exciting bit of his brief. I said there is a big job to do in supporting them as businesses, making sure they can be part of the procurement process and removing barriers to that.\textsuperscript{160}

Moving responsibility for SE from the DTI to the Cabinet Office in the face of stern resistance from those SE representatives it had once given privileged access to demonstrates the extent to which government was prepared to disregard their views when they no longer supported the government’s.

The core executive cultivated and selected the membership of its SE policy networks. It gave both resources and a platform to those large London-based organisations which sought to promote a specific vision of SE as an alternative provider of major public services whilst distancing those who did not share this vision. Where these privileged network members diverged from the core executive in their view, as in the case of the movement of SE policy from the DTI to the cabinet office, the core executive simply ignored them and went ahead regardless.

This section of the chapter raises two important aspects of the relationship between the core executive and SE: i) it directly cultivated the voices that supported its view that SE should play a role in the delivery of major public services and ii) when these

\textsuperscript{159} SE Practitioner 1, interviewed 24\textsuperscript{th} July 2017.
\textsuperscript{160} SE Practitioner 6, interviewed 19\textsuperscript{th} October 2017.
organisations disagreed with the intentions of government it resorted to hierarchical power and ignored their views.

By funding the establishment of the SE representative organisations it then included in its policy networks, the core executive determined their membership and utilised its resource advantages, in a way resplendent of Marsh, Richards and Smith’s (2001) APM. This demonstrates the executive’s ability to craft the membership of networks and fund organisations to justify their inclusion in these networks. Whitehall remained the fulcrum of the network in so much as it determined its membership and acted as the initial funding source for these network members; they were SE representative organisations paid for by the executive.

When these organisations attempted to resist the will of government and lobbied to retain responsibility for SE in the DTI (which was almost unanimously supported by the SE sector nationally and regionally) it was ignored by a core executive which felt it knew best. Government was clearly happy to support the development of an SE network within Whitehall but this relationship was based on a foundation of hierarchical power, which remained the primary power dynamic between the core executive and the SE sector. The core executive retained the ability to resort to hierarchical power when it so chose, as Bell and Hindmoor’s (2009) State-Centric Relational approach suggests.

Rather than supporting notions of a hollowed out state or autonomous self-organising inter-organisational networks, the relationship between Whitehall and SE is one of asymmetric power, where the core executive operates with limited exogenous restrictions (Marsh, Richards and Smith, 2001).

Alongside their overt attempt to shape the development of SE, elements of Whitehall were openly hostile to its advancement with some civil servants described as resistant to government’s focus on its potential role in the delivery of public services.

7.4 - Resistance to SE in Whitehall
Whilst Whitehall is generally considered (by practitioners interviewed as part of this research) to have been supportive of SE’s development in the UK there was a suspicion among the sector that some civil servants were acting to slow the progress of SE policy because they maintained a vested interest in centralised power.

A senior representative of the SE movement during the Blair governments described a civil service where some officials, especially in the DTI itself, worked to frustrate the interests of SE because they did not view it as their role and saw it as potentially diminishing their capacity within government. He argued that ‘there were civil servants who really didn't like it and tried to block things. They saw it as something they didn’t want to have to do and because it was potentially going to erode their patch’. 161 He went on to describe the resistance of civil servants within the DTI who he felt believed SE fell outside of their purview:

They saw business as being about private profit and about maximising the pursuit of private profit and [the DTI] shouldn’t be doing all this [SE] stuff. They didn't want to have it, they had it foisted on them. They were only too glad to get rid of it to the cabinet office when it got moved in there and they didn’t have to worry about it anymore. 162

The belief that civil servants at the DTI, and departments across Whitehall, were deliberately obstructing the progression of SE policy was shared by a number of SE practitioners interviewed for this research. 163 Another senior figure within the SE movement described how she observed civil servants resisting the direction of the government through inaction:

I think Whitehall is very patient and it doesn’t like change. Blair was a radical change in terms of style, I think Whitehall waited to grind him down. I had lots of contact with civil servants who made me think this. They had this attitude that [SE] is great but I am doing nothing to help it. It’s the age old story really. Say the right thing, do nothing and it will eventually go away. 164

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164 SE Practitioner 5, interviewed 18th October 2017.
As a leading representative of SE with access to Whitehall, this interviewee felt that she was being paid lip service whilst little was being done to support the rhetoric. Crucially she did not feel that this was because of a lack of political support but because the machinery of government did not view SE as its concern or priority. She went on to state that ‘even though Tony [Blair] stood up and aligned [SE] to New Labour thinking it wasn’t plain sailing and most of Whitehall rejected it lock stock and barrel, including Gus O’Donnell.’  

A junior minister during the Brown government agreed that the civil service was partly responsible for the stymying of the SE agenda; rejecting the premise that it should be charged with ensuring the outcome of policies it had designed.

The trouble with the civil service is that it is never good at [implementing policies]. They’re very good at writing policy, they are policy writers they don’t really deliver policy. In my experience, I would have very clever people in the room […] but when it came to actually making it happen they weren’t sure and that was the frustration, how do you make things happen? You can fund other people to do it but government doesn’t actually do very much of it as such. They can design the engine but not connect it to the wheels and what’s more they have this attitude of ‘it’s not our job to do that’.  

The idea that elements of the civil service perceived SE as being outside of its purview pervades interviews conducted for this research. Although a large amount of polices aimed at supporting SE have been documented in previous chapters of this thesis it is clear from the account given that severe disruption and obstruction was encountered within Whitehall itself. The same minister argues that it was not just civil servants but officials throughout government that resisted the SE agenda. Talking specifically about the Department of Health during the Brown premiership he said that despite efforts to increase take-up of SE it was distinctly viewed by officials as: ‘another ministerial fad, another way of having a pop at us’. He added that his own civil servants: ‘were trying to do their best [to encourage take-up] but they knew this monolith, this elephant called the NHS, wouldn’t budge’.

There is a clear depiction of civil service resistance to SE shared among SE leaders and policy makers alike who felt that SE was viewed as a threat to centralised power

165 SE Practitioner 5, interviewed 18th October 2017.
166 Minister 3, interviewed 25th July 2017.
enjoyed by Whitehall. This remained a concern among SE practitioners right up to the Coalition government’s introduction of the Big Society agenda.

A leading SE representative in post after the election of the 2010 Coalition government described a hostile environment toward SE which was seen, rightly in his view, as a challenge to the status quo. He described how: ‘[SE] at its best is fundamentally disruptive and systems changing. There are plenty of vested interests, in the civil service, outside of it, across lobbyists, that have a vested interest in protecting the status quo and actually at its best [SE] is radical.’ If SE presents a potentially radical alternative to centralised public provision then the civil service stands to lose ground should the concept be rolled-out further. The same SE representative went on to argue that the sector should now resist capture by Whitehall:

[SE] should never be about just a more efficient way to deliver public services it is an alternative economic system and challenges the way we value value and how we transact. It’s dangerous to those vested interests. Whether that’s in the civil service, investors, traditional markets, people want to contort it and misrepresent it, they want to take it and corrupt it.

SE viewed its own agenda as dangerous to vested interests. It actively sought to disrupt the status quo of the strong, centralised executive and, instead, deliver autonomous, self-financing services that harness the supposed best of both public and private models of delivery.

The view that elements of Whitehall and the civil service were acting to disrupt the development of SE policy was not held by practitioners alone. A civil servant interviewed for this research shared concerns that the processes of decision making in the DTI were purposefully delaying progress. The civil servant described that whilst the work of the department was generally constructive, there were a number of internal working groups which sought to delay progress by raising objections by, for example, ‘saying wait a minute you can’t change all of our procurement regulations.’ Internal objections like this could stymie progress as civil servants looked to find ways to appease colleagues.

170 Civil Servant 3, interviewed 10th July 2017.
A senior minister of the Coalition government confirmed that this kind of obstruction played a part in developing policy to support SE in government. He told of how: ‘sometimes you can get road blocks and things slowing down if there are things that they [civil servants] think they don’t like or doesn’t make sense and that hopefully with time the minister will figure that out.’ There appears to have been a widely shared perception among representatives of the SE movement and some policy makers that elements of the civil service were opposed to the government’s focus on SE as a potential vehicle for the delivery of public services.

This opposition, by elements of the civil service to SE, arose as a result of the belief among some officials that SE threatened to diminish the capacity of the core executive. Their vested interest in centralised power led to parts of the civil service acting to frustrate and constrain the development of SE as a potential alternative means to deliver major public services. Some civil servants ‘tried to block things’ as they felt it was ‘potentially going to erode their patch’.

The emergence of SE did not signal the hollowing out of the state, an argument advanced in relation to other policy areas by Smith (1998), Jessop (1995), Peters (1993) and Weller et al (1997) among others. Nor did it indicate that central departments had been replaced as the fulcrum of the policy network or that the centre had been confounded by fragmentation (BR, 2011, p.205). Rather, the data set out in this chapter reveals that the centre retained primacy in its relations with the SE movement and network. The civil service were able to frustrate the aims of the SE and, even, the core executive where these ran contrary to its own interests; where they disagreed they were able to simply slow down progress. They levied their resource advantage and influence over the policy process and continued to practice a command and control mode of governance which, as Robichau (2011, p.123) states, remains the principal mode exercised in democratic states.

The ‘structured inequality’ of the British political system (Marsh et al, 2003, p.311) leaves the SE movement, as non-core actors, resource disadvantage and, as such, their

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171 Minister 1, interviewed 22nd June 2017.
influence in the policy process is weak in comparison to the civil service, at the centre, which retains the ability to frustrate progress counter to their interests and delay implementation where they see fit. The network can essentially be dismissed should it dissent.

As well as deliberate attempts to diminish the role of SE in the government’s public service reform agenda, the importance of institutional memory and the need to continually champion causes such as SE was highlighted in interviews conducted for this research.

7.4.1 - SE Has to be Constantly Embedded in Whitehall

As well as facing internal resistance within the civil service policy makers interviewed for this thesis emphasised the absence of good institutional memory in frustrating the development of SE policy. High turnover of civil servants and the necessity to repeatedly raise awareness of SE across the departments had a detrimental impact on the policy agenda. One senior civil servant described how her successor had inadvertently affected the momentum of SE policy because she ‘didn't know how to work the civil service machine.’ She told of how ‘when she came in she thought this is now a period of consolidation, following the work we had done to get things going, but you can never consolidate in Whitehall because everyone changes their job every two or three years.’ 173 SE quickly fell in the government’s priorities once key advocates within government moved post and institutional memory was eroded, combined with the apparent resistance of certain elements of the civil service. This was confirmed by another civil servant who described how ‘during 10 months in the team the director had changed once, my immediate supervisor […] had changed, it was the standard civil service; the fast trackers were passing through, it was only the non-fast trackers still there by the end.’ 174 This high turnover made vocal champions within Whitehall vital for the continued focus on supporting SE. A senior civil servant reiterated this point and explained the need for a ‘strong high-profile official to champion SE within Whitehall’ because ‘there is a constant need to repeat messages’. This, she argued, was due to ‘the short time staff stay in post – Without this and a

173 Civil Servant 1, interviewed 21st July 2017.
174 Civil Servant 3, interviewed 10th July 2017.
supportive minister and Secretary of State, it would be easy for departments to revert to not considering [SEs] in their policy work.’ ¹⁷⁵

The importance of embedding a concept in government was also relayed by a senior civil servant who said: ‘in government it takes a long, long time, there is no overnight, no single lever that allows that to happen.’ ¹⁷⁶ The difficulty of keeping SE as a conscious priority of the government departments is clear from the testimonies of those civil servants working within them. SE is described as having suffered as a result of this process. One junior minister added to this by arguing that minimal information-sharing across departments had resulted in one being completely unaware of how SE applied to them: ‘I moved across to the health brief and sat there with my civil servants and said: ‘what about SE’ and they said ‘this is the health department minister’ they didn't get it. It’s just forgotten.’ ¹⁷⁷

The momentum of SE policy was dependent on its being constantly re-embedded in the minds of policy makers and across Whitehall. This appeared to rely extensively on committed individuals who could use their influence to maintain focus on SE.

7.4.2 - The Influence of Individuals in Whitehall Matters

The success of SE policy in Whitehall was also dependent on the efficacy of key politicians and officials who acted as champions within government. Interviews conducted for this research revealed the importance of senior political support in ensuring SE was put and remained on the political agenda. It also showed the importance of key figures who made SE a personal priority and drove it using their privileged status and expert knowledge as policy makers or influential SE advocates. A number of interviewees emphasised the importance of these aspects in the particular case of SE policy.

A junior minister who worked on SE policy during the Brown government argued that the personal commitment of the most senior political figures had the most significant

¹⁷⁵ Civil Servant 1, interviewed 21st July 2017.
¹⁷⁶ Civil Servant 2, interviewed 14th July 2017.
impact on SE. He argued that it gave him the legitimacy to promote the SE agenda across government and be confident that there was a genuine commitment to support for social business:

The extent to which Number 10 takes an interest in something is massively important and for whatever the different reasons both Prime Ministers I served under had a genuine interest, albeit for different reasons, in the [SE] agenda. When you’re a junior minister knowing that Number 10 and ideally HMT too were backing your endeavours was really important. We spent a lot of time to keep those channels and relationships open between us and Number 10. I would just say don’t underestimate the importance of that in what successes were achieved. Without it you would have been ploughing a dull and boring furrow of nothing much going on.\(^{178}\)

The minister clearly placed great significance on the political support of senior figures (in this case the Prime Minister and HMT) in ensuring that SE would be considered a priority across government. The important role played by this level of senior political support was further confirmed by civil servants and SE practitioners with one of the latter arguing that: ‘really high level political support for [SE] from the Prime Minister, was actually almost as important as some of the policies in terms of bringing it into the wider discourse […] it built credibility’.\(^{179}\) This senior support extended beyond the Prime Minister to individual Ministers and key advocates of SE who played important roles in tackling specific obstacles and keeping SE relevant and on the political agenda in Whitehall.

Several sources cited Patricia Hewitt as instrumental in putting SE on the Government’s radar. She was attributed with securing the political support within Westminster that saw the first SE strategy and a place for SE in the Blair administration’s pursuit of the Third Way. One senior civil servant argued that whilst SE was not invented in 2001 ‘the difference in 2001 was Patricia Hewitt made the commitment before the election that should Labour form another government she would make sure SE was given a higher profile.’\(^{180}\) A survey of Hansard conducted for this thesis revealed that she was also the first MP to use the term SE in the House of Commons since 1984 (Hewitt, 1997); some four years before she would go on to assume the office of Secretary of State for Trade and Industry. Her early interest in SE

\(^{178}\) Minister 3, interviewed 25\(^{th}\) July 2017.
\(^{179}\) SE Practitioner 2, interviewed 30\(^{th}\) August 2017.
\(^{180}\) Civil Servant 1, interviewed 21\(^{st}\) July 2017.
as a means to instil community regeneration and innovate in public service delivery was carried through into her ministerial role. Once in Cabinet she was able to convince colleagues of the importance of supporting the development of social businesses and bring SE to the attention of the Labour government.

Another senior civil servant agreed that ‘Patricia Hewitt had initially driven [SE] at the DTI’ and added that this initial interest had led to a wider take-up within government. He argued that Hewitt’s legacy was: ‘taken up by other key figures’ such as then Minister for the third sector, Ed Miliband (2006-2007) who ‘saw a lot of potential in terms of it being a new way of delivering, within markets, public services so he was quite a driving force.’ The same civil servant argues that Miliband’s political affiliation with Brown led to growing support for SE in HMT, adding that ‘but obviously Tony Blair and the centre of government increasingly got it as well. It became a central part of the message around the third sector at the time.’

A senior figure within the SE movement agreed with this assessment and observed that ‘where things really work well is when you get politicians that show real leadership and when you have really competent, committed civil servants who work together to make things happen.’ The support of key policy makers is clearly important in ensuring the recognition and support for SE across government. This was extended to leading figures in the SE movement some of whom blurred the boundaries between policy maker and lobbyist. One such activist, who also enjoyed close links to the government, described how they used their political connections to ensure Whitehall was receptive to the concept of SE.

What we did in 2001, I knew we were coming up to an election and that that was an opportunity to communicate with politicians. We agreed a charter for [SE] which we sent to all the candidates and parties and got people to sign up to it. [SE] London happened to be having their big annual conference in the run up to the election. We didn’t cancel it and Patricia Hewitt came and said if we win this election I will make it my business to support [SE]. She then went on to be Secretary of State at the DTI. It was on her wish list, to set up the SEU. Her adviser […] was fantastic in that.
The support of leading figures within (or closely connected to) government in championing SE is made clear by the testimonies of those interviewed for this research. Without committed individuals working to promote SE across Whitehall very little progress may have been made. One civil servant said ‘this is about who shouts the loudest’ and longest in ensuring that the message is heard. Another mentioned the importance of individual officials when reflecting on the performance of their successor. They said: ‘as good as my successor was, she was from [outside of Whitehall] and didn’t have my experience of how to keep an issue hot and live with ministers’. Without individual officials and policy makers with the skills to navigate the structures of government, issues like SE could quickly lose attention and focus.

The success of SE policy in Whitehall has been shown to have been dependent on the commitment of individual officials and policy makers who act as champions within government. Securing senior political support was shown to have been considered essential in ensuring that SE maintained its importance on the political agenda. Key individuals who made SE a priority and used their privileged status and knowledge to continually influence the agenda were crucial in ensuring that SE remained a policy focus of all governments from 1997 to 2010. Without their continual embedding of SE, support for the movement may never have received such take up in Whitehall or may have diminished more readily over time.

Key individuals who made SE a priority and used their privileged status and knowledge to continually influence the agenda were crucial in ensuring that SE remained a policy focus of all governments from 1997 to 2010. Without their continual embedding of SE, support for the movement may never have received such take up in Whitehall or may have diminished more readily over time.

The constant need to embed interest in, and focus on, SE across Whitehall demonstrates the impact of the strategic decisions of actors within the core executive. In the case of SE, key ministers and civil servants used their agency to keep SE on the agenda of departments across Whitehall that might otherwise have been sceptical or disengaged. Without these actions SE could well have fallen down the political agenda much sooner than it did. The support of the cabinet office was equally crucial in securing interest in SE where it might otherwise have gone unaddressed.

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185 Civil Servant 8, interviewed 27th July 2017.  
186 Civil Servant 1, interviewed 21st July 2017.  
187 One source interviewed for this research (Civil Servant 4, interviewed 27th July 2017) described how the Ministry of Defence was at first reluctant to nominate an SE lead to attend cross-Whitehall meetings as they felt there was nothing within their remit that could link to SE. The civil servant had to convince senior MoD officials that (by way of example) many ex-service persons’ charities operated on an SE model and that this connection alone was sufficient reason for them to engage. Following the intervention the MoD began sending a representative to the meetings.
The importance of individuals working to promote SE within government was viewed, by those interviewed, as significant in maintaining a focus on developing policy supportive of SE. The need for these actors and their effectiveness across government shows us that the core executive cannot be considered as a single actor or entity within a given network. Rather, Whitehall itself is negotiated by actors capable of deploying strategy. Without these champions acting within the executive, SE could well have diminished as a focus of government much sooner.

The ability of these actors to affect the salience of SE is determined by their proximity to the centre and their capacity to influence decision makers and officials across government. As such their activity does not suggest an eroding of central capacity but a buttressing of it. SEs emergence under New Labour is credited, by those interviewed, to actors working within and between central government departments. Their influence is such because power remains at the centre and is not, as Rhodes (1997) argues, fragmented and dispersed out to autonomous policy networks.

7.6 - Conclusion

In this chapter, the nature of the relationship within the SE movement, between SE and the wider third sector and between SE and Whitehall has been considered. Characterising these relationships has revealed the nature of the power dynamics extant between the core executive and the sector and has addressed a key research question of this thesis: how may we understand the nature of the network relationships involving SE?

The evidence has shown that the policy networks extant in the area of SE policy did not represent an entirely new form of governance displacing the power of the core executive, as much of the European literature on policy networks suggested (Kicket et al, 1997; Kenis and Schneider, 1991). Rather they were revealed to have been directed and constrained by the state which controlled their membership and, when they disagreed, were readily dismissed and overruled.
Internal SE relations were shown to be dominated by a select few elite representative organisations, cultivated by government to affirm their agenda for the movement. Local and regional SEs were shown to have been excluded from these consultations which resulted in a primary focus on the role SE could play in public service delivery. This occurred because the core executive selected the membership of its SE networks and gave privileged access to those who shared their view that SEs should play an enhanced role in the delivery of major public services. The core executive was shown to have deployed its resource asymmetries and hierarchical power to coordinate and determine the operational parameters of the governance and network relationships with the SE sector (Holliday, 2000, p.175). Rather than suggesting that the centre had been hollowed out, the evidence indicates that the government, through the complexities arising from a fragmented polity, actually extended its reach (Marsh, Richards and Smith, 2001).

The types of networks operating in the SE policy space were not self-governing or autonomous but carefully selected by a core executive which remained very much the dominant actor within the network.

Interactions between SE and the wider third sector and trade union movement were also considered. SE was perceived as a threat to Charities, cooperatives and voluntary organisations’ potential to attract both policy support and resources from government. In some cases other third sector organisations were shown to have deliberately attempted to undermine the progress of SE. The trade union movement was shown to have been equally hostile in its relations with SE; viewing it as a threat to the public nature of public services and the interests of the union membership. Despite their clear objections to an enhanced role in service delivery for SE, Government ignored the interests of the third, cooperative and trade union sectors and continued to pursue their agenda.

This demonstrated the state’s central role within the coordination of networks and showed how they dismissed these same networks when their views clashed with the government’s. Rather than proving able to resist the direction of the government, and impose their will, as Rhodes’ conception of network governance would suggest (1992,
1997), the third sector, cooperatives and trade unions were overruled by a core executive intent on developing SE as a means to deliver major public services.\textsuperscript{188}

An exploration of relations between SE and Whitehall, revealed that policy makers had resorted to consulting the ‘usual suspects’ and even went as far as to fund those organisations which agreed with their ambitions for SE. Despite this, when even those organisations disagreed with government, the core executive was seen to utilise its hierarchical power to pursue its agenda regardless of the views of the network it had helped to create. In the case of SE it appears that networks of limited influence were established in order to legitimise the government’s objectives and were ignored in dissent.

The concept of autonomous self-organising inter-organisational networks was not evident in the case of SE policy. The relationship between Whitehall and SE is one of asymmetric power, where the core executive utilises its resource-advantage and operates with limited exogenous restrictions (Marsh, Richards and Smith, 2001). It continues to centralise power and, where possible, use policy networks to legitimise its actions and extend its reach. It remains willing to resort to hierarchical power when necessary, as Bell and Hindmoor’s (2009) State-Centric Relational approach suggests.

Finally, Whitehall was shown to have actively resisted the progress of SE. Select civil servants attempted to limit the potential of SE to threaten their centralised power by frustrating the progress of policies designed to support SE. Here the influence of individuals within the structures of government was shown to be crucial.

The data set out in this chapter reveals that the centre retained primacy in its relations with the SE movement and network. Elements of the civil service attempted to frustrate the aims of SE where these ran contrary to its own interests. They levied their resource advantage and influence over the policy process and in this sense continued to practice a command and control mode of governance which, Robichau (2011, p.123) argues, remains the principal mode exercised in democratic states.

\textsuperscript{188} Minister 3, interviewed 25\textsuperscript{th} July 2017
The constant need to embed interest in, and focus on, SE across Whitehall demonstrates the impact of the strategic decisions of actors within the core executive. The need for these actions and their effectiveness across government suggest that Whitehall itself is fragmented and needs to be negotiated by actors capable of deploying strategy in order to navigate these. Without these champions acting within the executive, SE may have potentially diminished as a focus of government much sooner.

Not only does this highlight the importance of the strategic capacity of actors in the structures of governance but it reveals that the effectiveness of their actions is determined by their proximity to the centre and their capacity to influence decision makers across government. Their strategic action does not suggest an eroding of central capacity but a buttressing of it. SE’s emergence under New Labour is credited, by those interviewed, to actors working within and between central government departments. They possess influence because they are actors working at the centre. This is where power continues to be located in the British political system. This chapter has demonstrated that it is not, as Rhodes (1997) argues, fragmented and dispersed out to autonomous policy networks.

These findings help to answer a key research question of this thesis: how may we understand the nature of the network relationships involving SE? They have shown that far from a ‘hollowing-out’ of the state having occurred (Rhodes, 1997), in the case of SE policy in the UK, the core executive has remained the primary and dominant force in policy making. It has shaped and controlled the membership of policy networks, drawing on their significant resource advantage, and utilised hierarchical power where consensus could not be reached.

The next chapter will explore the extent to which autonomy may have been devolved to SE by successive governments from 1997 to 2015.
Chapter Eight – SE and the devolution of power?

8.0 - Introduction

In this final empirical chapter, the extent to which autonomy has been devolved to SE by successive governments from 1997 to 2015 will be considered. A mixture of data drawn from elite interviews and documentary analysis will reveal how each government sought to shape the development of SE and direct its emergence in the UK. It will argue that Whitehall failed to devolve any substantive power to the sector, sought to define and shape its identity and, despite much rhetoric to the contrary, assigned few substantial resources to the agenda.

The chapter begins by assessing the extent to which government set out to shape the emergence of SE in the UK. It will explore the ways in which it was viewed as an alternative means of delivering public services, how national representative organisations were given privileged access to government in a way that helped to promote the role of SE in service delivery and how government ultimately acted in a way which diminished SE’s potential to become a radical alternative to mainstream forms of business.

It then looks at the ways in which the SE sector initially viewed Whitehall as part of the problem; reacting against its perceived cumbersome and impersonal bureaucracy. This caused a dilemma for the movement as it sought to resolve its scepticism of central command and control with the desire to access public contracts and resources in order to grow and achieve its social mission. This inevitably meant accepting direction it might have otherwise resisted.

These findings are then analysed to inform a consideration of a key research question of this thesis which asks: has SE resulted in a change or challenge to the dominant traditions which shape the British political system? It considers key debates within the literature on governance and the BPT and situates the findings of this study within them; suggesting that a single dominant BPT reliant on hierarchical power remains dominant in the case of SE’s emergence in the UK.
Government’s focus on improving access to finance, and specifically equity finance, is then shown to characterise the approach of Whitehall when it disagreed with the sector; ultimately SE realised that in order to progress it had to acquiesce with the requirements of central government. Even with this compliance, government appears reluctant to have devolved any genuine autonomy to the sector; it’s SE agenda ultimately appears to have been more founded in rhetoric rather than reality. This helps to address another key research question of the thesis which asks if (and if so, why) there was a gap between the rhetoric and reality of SE’s role in the delivery of public goods under NL and the Coalition and whether government devolved as much autonomy to SE as their rhetoric implied they might?

At a fundamental level this chapter sets out to explore whether the emergence and development of SE from 1997 to 2015 led to, or resulted in, a challenge or change to the dominant traditions which shape the institutions and processes of the British political system; its findings reveal that it did not.

8.1 - Government Set Out to Shape the Sector

Successive governments were described as directing the development of SE between 1997 and 2015 and exerting a dominance over the sector. Government was described, by the sources interviewed for this research, as the driving force behind the increasing focus on SE as a means by which to deliver public goods.

One SE activist described how the first New Labour Government ‘got a bit dogmatic’.\(^{189}\) She remembered asking ‘why is the SE strategy only talking about public service delivery and they said because we want to focus on the role of the public sector. So they saw it as that was their role in promoting SE’.\(^{190}\) Whitehall saw public service reform as the key policy area to which SE could contribute (see Chapter Six), even where this conflicted with the wishes of some regionally-based SEs. One SE practitioner lamented that: ‘this is the problem I have with government getting involved in SE, be careful what you wish for, because they end up taking over’.\(^{191}\) That government sought to lead on the SE agenda and focus it around the issue of public service delivery was

\(^{189}\) SE Practitioner 1, interviewed 24th July 2017.
\(^{190}\) SE Practitioner 1, interviewed 24th July 2017.
\(^{191}\) SE Practitioner 1, interviewed 24th July 2017.
confirmed by a senior civil servant who told of how Whitehall was: ‘trying to do leadership […] we were all kind of trying to give [SE] a good kick’. There was a conscious effort to drive the SE agenda from within Whitehall with an explicit focus on the role it could play in reforming the way public services were delivered.

A leading voice of the national SE movement argued that governments throughout the period sought to dominate the agenda: ‘certainly the language of SE was hijacked [by Government] for a while and it became synonymous with a political ideology rather than a grass roots movement’. Rather than allowing SE to develop as a bottom-up phenomenon, directed by the social entrepreneurs themselves, key practitioners describe an environment in which an orthodoxy was established which did not necessarily account for the individuality or breadth of SE in practice or best facilitate the growth and development of the sector. This was achieved, in part, through the strategic selection of those SE representative organisations which would go on to receive recognition and support from the government to develop into national representative bodies.

Throughout the Blair, Brown and Cameron premierships governments sought to strategically fund selected representative organisations to promote the role and capacity of SE both publicly and across Whitehall. Many of the organisations receiving funding have remained the same throughout this time and have developed, in large part, as a result of the support, recognition and access they have received from central government.

In 2003, the first SE progress report described: ‘Supporting a strong and inclusive voice for the sector by providing strategic funding for and working with, the [SE representative organisations]’(DTI, 2003, p.10). This continued into 2007 where a £0.8m annual fund was established for ‘a small number of organisations that prove they represent [SEs] at a national level’ (Cabinet Office, 2007 A). This fund was described as a means by which to ensure that ‘the views and experience of all parts of the sector are articulated’ and to ‘enable partners to feed in sector expertise at a national level to influence government policy and help remove barriers to the further

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The funding of specific organisations to facilitate their becoming national representative bodies of the SE movement was viewed with scepticism by some of those working in the sector. One senior SE figure said that: ‘Government tried to crush and silence those who did speak out and create new voices, with public money, to replace those who have a more cynical view of what was driving all of this’. Another, who worked principally in a regional setting said: ‘we didn’t get a say in this, it was just here you go, it was a fait accompli ‘. Figures within the SE movement clearly felt that there was a dissonance between the ideas of growing a diverse and decentralised set of SE representative organisations and having these selected and funded by civil servants in Whitehall. The very process of growing an independent voice for SE was shaped and constrained by the centre.

The feeling that government was acting to limit the potential or capacity of SE to emerge as a more independent entity was further reflected by key figures within SE who argued that there was a significant attempt to limit any dissent within the sector or its potential to act as a radical alternative to traditional public or private forms of provision. One practitioner told of how ‘the sector’s voice was dismissed. It continues today, you’re side-lined, dismissed and treated as if you’re stupid’. Government, he argued, was not genuinely interested in the ambitions of the sector but, rather, acted to diminish SE’s potential as a radical alternative to mainstream forms of business:

None of these governments really wanted to change anything, they wanted to redistribute and that has not led to the structural and systems change that is required. Redistribution is very much about keeping the apparatus as it is that is why it has not left long-term sustainable change.
Key leaders within the sector felt that Government was acting to constrain the potential of SE to reform the way business works in the UK. They believed government dismissed their objectives and sought instead to prioritise key policy areas such as public service provision and access to equity finance. Another leading SE practitioner described feeling frustrated by failed attempts to deliver on policies that could really support the progress of SE in the direction desired by the sector’s leaders:

We spent so much time arguing about what the defining characteristics were. Take CICs, we thought we’d come up with something definitive, with tax incentives which would make you a more attractive investment and then get scale, we ended up with something with no tax incentives and is just another form of business, it just became a statement in your annual accounts. Those are the kinds of obstacles we kept encountering. We’d identify an obstacle to growth and identify a vehicle to eliminate the obstacle and we’d fail to eliminate it. Those who managed to do well in that climate, well it was against the odds and some of them were dodgy, we knew that they were exceptions but we didn’t shut up praising them as if all [SE] was going in that direction.198

The description given here of the process of developing the CIC organisational form indicates the way in which the sector’s expectations were not met by the reality when policies were finally translated into legislation. Rather than promoting real change, in the instance of the CIC, some SE leaders felt that CICs closely mirrored existing organisational forms (such as CLGs) with the minor addition of declaring community benefit and reporting back on progress. SEs that succeeded in this climate were well publicised exceptions to the rule. These testimonies demonstrate a combative relationship emerging between sector leaders and Whitehall as each set about trying to instil their own vision of SE and assert control over the identity of the movement.

This control was, in part, exercised through a range of incentives designed to encourage SEs to conform to the government’s definition and policy priorities. One senior civil servant recalls a conversation with a local SE which was particularly resistant to the government’s focus on SE, as opposed to social entrepreneurship more broadly. She made it clear that it would be in their interests to conform to the government’s view to access funding and opportunities: ‘what I helped him to realise is, when he was taking this stand of saying social entrepreneurship was different to [SE] he’d effectively missed

198 SE Practitioner 5, interviewed 18th October 2017.
the boat. All these initiatives were going ahead without him and he’d been side-lined’. 199
She added that similar discussions took place with other SEs who disagreed with
government prioritising SE over social entrepreneurship: ‘initially, they wanted to stress
the difference, but over time they began to see that that was not in their best interests’. 200
The dominance of government in setting the agenda on SE, and their ability to direct
resources towards those SEs meeting Whitehall’s expectations meant that SEs felt
obliged to meet the requirements asked of them. One junior minister argued that the
government deliberately ‘bribe[d] people […] put money on the table and add[ed] incentives’ 201 in order to ensure their ambitions for SE were realised.

These initial efforts to convince SEs to pursue the government’s agenda were, however,
frustrated by a mistrusting relationship in which key figures in the SE movement saw
government as part of the problem rather than the solution.

8.1.1 - SE as a ‘Critique of the State’

The nascent SE sector emerging in the early 2000s is described by key figures from
within at that time as resistant to extensive government involvement with the
development of SE. One leading figure argued that: ‘it was very anti-state. It was a
critique of the state and the state was bad or malign or clumsy’. 202 The view among
practitioners that SE had developed, in part, as a response to the perceived inadequacies
of public provision led to the perception that government should not attempt to intervene
in the formation of the SE sector or influence its practices:

A lot of [SEs] would say the state should get out of the way. Some would
say the state should give us the money and we will do it. Some of them
would say we need the state to be more responsive as a partner […] They’re
saying we’re entrepreneurs; we’re trying to solve problems in communities.
The public sector, which should be doing this, is incredibly slow moving
and clumsy and if only we could get the resources we would solve all of
this. 203

199 Civil Servant 1, interviewed 21st July 2017.
200 Civil Servant 1, interviewed 21st July 2017.
201 Minister 3, interviewed 25th July 2017.
Leading figures within SE saw the movement as a response to the clumsy nature of one-size-fits-all public services. They believed that SE could counterbalance this with its mix of business acumen and public service values. They described themselves as: ‘much more agile and adaptive and this is our experience in practice. We’re trying to solve complex problems and make changes in people’s lives and the government is just here like this dinosaur in these departments’. Rather than a natural partner of government then, SE viewed itself as a disruptive business model. One civil servant recalled attending meetings with regional SEs in which he ‘was periodically being harangued […] they said why aren’t you working on government, they are the problem not us. I said I can’t do that, I’m not here to do that, our strategy is to help you win contracts’. This initial scepticism of the sector towards government was exacerbated by this view that Whitehall had an approved plan for SE that they would seek to execute regardless of the resistance of SEs at a regional or national level.

This became even more difficult when SEs began to show interest in bidding for public service contracts as their initial resistance was met with a need to comply with the rules of the game. One senior civil servant described how this caused confliction within the SE movement:

It’s always a difficult balance for SE, but also the whole third sector, to balance access to power, and therefore resource and influence, and the ability to just get on and do what you want to do and I think […] the role of the OTS was to act as the mediator for that, we weren’t trying to shape.

SEs were both critiquing government and relying on it to support their ability to deliver public goods. This same civil servant argues that the strained relationship between Whitehall and the SE movement at this time was more a result of this tension playing out. He said: ‘They wanted access to markets, they wanted to be able to bid for health projects, or DWP or work programme or all of those kinds of things and so it was always a difficult balance’ adding that ‘they wanted all of that but they wanted it by right rather than having to go through a mediator like the [OTS]. The resistance was just a wariness of the balancing out between those things’. The reaction against government’s

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204 SE Practitioner 4, interviewed 20th September 2017.
205 Civil Servant 3, interviewed 10th July 2017.
206 Civil Servant 2, interviewed 14th July 2017.
207 Civil Servant 2, interviewed 14th July 2017.
attempts to shape the sector gave way, in part, to the need to conform so as to access the opportunities offered by government to deliver public goods and access the support and funding associated with it.

In assessing the power dynamics of the relationship between central government and the sector it is important to ask to what, if any, extent the sector may have actually shaped its own image in the eyes of the executive?

8.1.2 - Did the Sector Influence Government?

Whitehall relied extensively on the knowledge base built up in the sector and some SE representative organisations played a significant role in publicising the movement and helping to establish its place on the national political agenda.

The large SE representative organisations played a significant role in publicising SE across Whitehall. Prior to New Labour’s re-launch of the SE agenda in 2002, key figures across the nascent movement were meeting with civil servants and ministers to help improve awareness and demonstrate how SE could complement the Third Way governing programme of the new administration. A senior civil servant in post at the time described how these senior figures: ‘spent a lot of time traipsing around Whitehall […] trying to get something going and […] telling civil servants what other civil servants were doing’. Some SE activist were clearly engaged in raising the profile of, and developing support for, the movement within Whitehall. To this end, one senior figure in the SE movement confirmed that the nascent sector was engaged in lobbying civil servants and ministers to encourage SE’s inclusion in the Third Way agenda. He said: ‘I spent a decade of my life trying to engage and influence various governments and felt that I was working with colleagues […] from the SE movement to actually do that.’

Whilst this engagement did not result in a wholesale reorganisation of the relationship between central government and SEs operating on the front line one senior civil servant argued that it did lead to changes in the way Whitehall thought about devolving

208 Civil Servant 1, interviewed 21st July 2017.
responsibility and autonomy away from the centre. He said that: ‘not all of the power has been wrought down to [SEs at] the local level but you have seen a change in tonality and understanding and a bending of mainstream policy’. This, he posited, manifested itself in the way: ‘civil servants and ministers now […] think about it and act about it in a different way […] because of the learning they’ve had over the last ten years’. Whilst there may have been some cultural shift in the way senior policy makers thought about decentralising the design and delivery of public goods to SE actors it remained the case, according to leading figures in the SE movement at the time, that in order to obtain these contracts and central support SEs had to closely mirror the pre-existing policy aims of the Government of the day.

The most effective way to ensure inclusion, according to one leading SE figure, was to assimilate the SE sector with the political goals already established: ‘obviously, there are political interests and priorities and if you align with those you might get somewhere and if you don’t, you don’t get anywhere’. He went on to argue that whilst SE emerged from the efforts of the sector and its practitioners its rapid uptake was more closely connected with the ways in which it was made to fit existing government priorities. He described how, in early conversations with civil servants they: ‘looked to see how it might link to different policy areas […] if you look at boosting entrepreneurship, regeneration, public service reform, ways of engaging communities, those are the same core things that SE is good at now as they were back in 2002’. These areas highlighted in the 2002 Strategy matched the priorities of the then New Labour Government. A senior minister serving in the cabinet at that time remarked that: ‘it coincided with what we were trying to do anyway’. She said that ‘there was an idea that greater community involvement in how services were delivered would do good both ways. [SE] was being talked up by the people who had an interest in it at just the time we were looking at the issue. It was a perfect fit’.

One senior civil servant described that despite the reality of SE’s cohesion with centrally determined priorities the very perception of a close relationship between civil servants

210 Civil Servant 2, interviewed 14th July 2017.
and SE representatives led to criticism from the incoming Coalition Government in 2010 who felt that they had become too easily influenced by interests in the sector: ‘really we had to rely on the sector a lot, that was the criticism we got when the coalition government came in. The criticism was you're too close to them, you just listen to what they say and they've become too influential’.214 This reputation for over-reliance, however, is described as having changed markedly under Cameron’s Government:

The Coalition government got a reputation for being too far the other way and not engaging, not just with the sector but I used to hear it from all people, housing, environmental issues, everyone was saying the same thing, they don’t seem to want to talk to us. Maybe it was because they were worried about being too influenced.215

This civil servant depicts a return to a command and control approach under the Coalition in reaction to the perceived growing influence of SE among civil servants. Whilst key players in the SE sector in the early 2000s do appear to have helped put the movement on New Labour’s political agenda, the extent to which they have exercised any real influence over the direction of government in this area is minimal. Rather than shaping Whitehall’s third sector agenda, they have been shaped by it and any changes in the dynamics of the relationship between the centre and the sector, whilst minimal, were reacted against by the incoming Coalition government who re-established a more distant and hierarchical dynamic, revealing a continuation of the dominance of the BPT in the British political system.

8.1.3 - SE and the Continuation of the BPT

One of the key research questions this thesis set out to answer was: ‘has SE resulted in a change or challenge to the dominant traditions which shape the British political system?’ The evidence set out in this thesis has revealed that, far from representing a challenge to the BPT and highly centralised forms of British government, the development of SE was actively controlled and shaped in England.

These findings contribute to ongoing debates within the BPT and Governance literatures which attempt to gauge the extent to which the core executive has truly been ‘hollowed

214 Civil Servant 4, interviewed 27th July 2017.
out’ by the diversification of actors and locations in which policy making now takes place. They reveal that the emergence of SE did not result in the rise of autonomous policy networks or demonstrate a supposed shift away from a highly centralised and homogenous state to a more fragmented and decentralised one. They indicate, instead, the continued prevalence of hierarchy and show how government and non-state actor relations are still defined by domination and subordination (Bell, Hindmoor and Mols, 2010, p.853).

In the governance literature discussed in Chapter Three, Rhodes’ Anglo-governance approach was shown to have focussed on the supposed fragmentation of the British polity and the confounding of the core executive’s ability to centralise power and coordination. He argued that Whitehall and the executive could no longer be considered as the ‘fulcrum’ of the policy network (Rhodes, 2012). Society-centric accounts of governance, like those advocated by Rhodes, argued that the ability of the state to produce and steer policy outcomes via hierarchic methods has been superseded by powerful, autonomous, policy networks (Rhodes, 1997, p.59). Alongside Rhodes; Smith (1998), Jessop (1995), Peters (1993) and Weller (1997) have all considered or advocated the possibility of an erosion of power from the core executive and the idea of a hollowed-out, fragmented polity.

The findings set out in this thesis demonstrate that, in the case of SE, the core executive has shaped the development of the sector, controlled the membership of its networks and pursued its own agenda regardless of the views of SEs. Policy making, in this area, is more fragmented than the formerly dominant Westminster model would suggest; but not so fragmented as to be beyond the command and control of the executive when desired.

State-centric accounts of governance help to better capture this balance between the two extremes. Taylor (2000), Holliday (2000), Goetz (2008), Bell and Hindmoor (2009) and Marsh, Richards and Smith (2001) all contribute to the argument that first wave, society-centric, accounts of governance have over-emphasised the extent to which members of policy networks exchange political resources and argue that these accounts do not sufficiently allow for asymmetries of power that exist between the

Bell and Hindmoor add to this debate by arguing that hierarchical power remains a primary means by which the core executive asserts its direction over policy networks (Bell and Hindmoor, 2009 p.10). The state-centric, relational perspective they propose argues that states decide how and when to adopt different governance modes and, by so doing, expand their capacity. This argument is taken up by Lynn (2011) who asserts that even where other modes of governance have emerged (i.e. through networks) these are layered onto existing hierarchical structures, in a form of nested governance. All of this contributes to the view that governments, far from being just one of a number of actors in the policy making process (Rhodes, 2012), are still prone to imposing, through hierarchical means, their predetermined values on complex networks (Taylor, 2002, p.51). The findings of this study support this analysis.

Successive governments, of different political persuasions, from 1997 to 2015 have been shown to have shaped the emergence and development of SE in the UK. The findings support the idea that the autonomy of the centre has not been eroded by increasingly independent policy networks. Non-state actors have not usurped the authority of the executive to determine policy. Hierarchical power is shown to be the dominant form, as networks succumb to the will of governments who shape and constrain the development of, in this case the SE sector, as they see fit.

This thesis set out with the idea in mind that SE had all the potential to prove a genuine challenge to the dominance of the BPT. The sector wanted the autonomy to deliver sustainable solutions to social problems and successive governments (overtly) seemed to agree with this vision of an independent SE movement. This leant itself to a growing body of literature which questioned the extent to which one single dominant BPT could be said to guide decision making in the British political system; be that of Hall and Marsh’s competing traditions or BRs four distinct varieties of Tory, Whig, Liberal or Socialist traditions.

The evidence presented in this thesis, however, shows us that (at least in the case of SE) this did not materialise. SE may have presented a challenge, in that its practitioners
clearly wanted to take up the Government’s offering of greater autonomy to deliver services, but ultimately they were never allowed to carry this out in practice. SE was contained and constrained as the forces of centralism limited its potential.

Whilst the very notion of SE initially suggested the possibility of a challenge to the BPT there has been no evidence uncovered in this thesis to suggest that it materialised in reality. The findings of this thesis reveal that the notion of a single dominant BPT, based on a limited liberal conception of democracy and a conservative notion of responsibility, remains intact.

The SE agenda was thus dominated by central government. Where the will of Whitehall and the sector diverged, the interests of Government prevailed. This was especially clear in the persistent focus of policy makers on improving access to finance and, specifically, equity finance.

8.2 - SE Rejected the Government’s Focus on Social Finance

Policies designed to support the growth of social investment were a prominent part of Whitehall’s approach to SE from at least 2003. A key report produced by the Bank of England sought, in part, to assess the extent to which private equity finance was understood and sought after by the SE sector. In it they determined that ‘demand for equity from such enterprises is […] limited. Our discussions indicated that many [SEs] are unfamiliar with the concept of equity investment and lack knowledge’ (Bank of England, 2003, p.47). Less than 10% of SEs seeking any form of external finance (as surveyed for the report) had tried to raise funding through the issuing of shares or venture capital. The lack of demand, the Bank of England argued, was based on concerns that venture capitalists would seek to exert too much control over the mission of the SE and dilute its social aims:

Venture capitalists and, to a lesser extent perhaps, business angels generally want some degree of control over the management of the companies in which they invest, in order to protect their investment. In our discussions, the possibility of an outside investor ‘watering down’ social objectives in order to maximise financial returns was a real fear for [SEs] (Bank of England, 2003, p.48).
There is some acknowledgment in these early reports that demand for equity finance was not high among SEs. A later report commissioned by the OTS in 2007 described how: ‘the vast majority of [Third sector Organisations] had not considered […] such finance […] or were not in a position to consider investment since their legal form precluded it, or were unable to offer a competitive economic return on investment’ (SWQ, 2007, p.42). Again they added that: ‘there was also concern about the potential loss of control over the direction of the organisation, its ethos and mission if an external investor were to take a stake’ (SQW, 2007, p.42). Despite finding that SEs were consistently reluctant to engage with equity finance or felt that it conflicted with their core social business aims, government continued to pursue investigations into how equity finance could be made to work with SE.

By 2008, the OTS had commissioned a consultation on the launch of a £10 million investment fund to match investment from the private and independent sectors where government would ‘expect to make the same return on investments as independent investors’. This was soon followed by a statement from the minister which declared that: ‘the consultation has reinforced my view that a lack of access to risk capital finance can hold back social enterprises from reaching their full potential to improve peoples’ lives.’ (OTS, 2008). It was now the firm view of Government that SEs required access to social investment and equity finance in order to develop as a sector.

By the time the Coalition government came to office the focus on equity finance was firmly set. The government made repeated assertions that they were: ‘determined to accelerate the growth of this market’ (HM Government, 2011, p.5), that they want[ed] to make it easier to invest in social ventures’ (Hurd, 2013) and that: ‘our vision is for a bigger sustainable social investment market’ (HM Government, 2013, p.6).

Far from there being a lack of demand from SEs for greater levels of equity finance the government was now promoting the view that SEs were merely incapable of attracting such investment. One report assessing ways to grow the social investment market described how: ‘some social ventures lack the appropriate financial and managerial skills to bid for, use and repay investments effectively’ (HM Government, 2011, p.32). In order to solve this: ‘social ventures need[ed] support to improve their investment readiness and their business capability’ (HM Government 2011, p.32).
Whilst it is true that elite SE representative organisations were focussed on improving access to finance for SEs, the type of financing pursued by government did not necessarily correspond with the sector’s demand. One senior figure within the SE movement argued that the government’s focus on equity finance was causing the momentum of SE to shift towards investor-led priorities:

The Cameroonian approach was to […] have SEs driven towards a much more investor owned model of SE. This drive towards equity and mission-led business is trying to dilute the notion that exists within good models of [SE], whereby the power still sits with the investor, whereby the government ceases to have any role or responsibility in funding these organisations; instead the private sector will do it. The private sector will take an ownership stake and even appoint managers, senior managers [and] board members within these institutions and organisations and ultimately they will be controlled and driven by investor interests and not society’s interests at which point for me they cease to be [SEs].

This shift in the origin of finance made available to SEs is regarded as having caused a shift in focus for the sector. Rather than prioritising the social mission the attention is said to have become increasingly paid to the needs of investors. He went on to add that whilst improving access to finance was a key priority of the sector: ‘what we got was something designed to meet the needs of the investor instead of the social entrepreneur and [SE]’. Another regional SE practitioner confirmed this view when she described how the government responded to calls for better access to finance for SEs:

People have been calling out for access to finance but whether this is loan finance or equity finance is another matter. There was a powerful lobby within the [SE representative organisations] which has grown over the years to say social investment is the answer. If you look at some of the social investment decisions it’s not necessarily about SEs it’s all sorts of other businesses that get social investment so putting the two together gives a false image.

There was a mistrust both within the sector and between it and Whitehall over the issue of finance. Some practitioners clearly felt that the finance agenda was not principally designed to support but, rather, acted as a means by which to open the sector to private finance and allow investments to be made in areas traditionally the reserve of the third sector, not-for-profit and charitable spheres. This pursuit of the finance agenda by the

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218 SE Practitioner 1, interviewed 24th July 2017.
core executive again illustrates the willingness of government to act unilaterally to achieve its ambitions, regardless of the sector’s will; illustrating the continuation of the BPT in the case of SE in the UK.

8.2.1 - SE Finance and the Continuation of the BPT

Successive governments doggedly focussed on the issue of opening SE up to private (largely equity) finance despite limited appetite from the sector itself. This again illustrates the willingness of government to act unilaterally when the sector demonstrates little interest in its proposed policy direction. These findings contribute to answering one of the primary research questions of this thesis: has SE resulted in a change or challenge to the dominant traditions which shape the British political system?

The data reveals that, even when the state was aware the sector was reluctant to pursue equity finance, fearing a subsequent impact on its ability to set its own social objectives, governments from 1997 to 2015 were not dissuaded from pushing it as a priority area of policy development for SE (see Chapter Six for more).

This tendency to engage in policy development without the support of the sector is characteristic of the stress the BPT puts on strong, centralised and efficient government (Marsh and Hall, 2007, p.22). Even in the face of Cabinet Office-commissioned research demonstrating a lack of demand for equity finance among SEs (SWQ, 2007, p.42) successive governments continued to declare their ‘determination to accelerate the growth of this market’ (HM Government, 2011, p.5); stating their belief that SEs ‘need[ed]’ this support (HM Government 2011, p.32). The belief of policy makers that ‘government knows’ best pervades thinking in the area of social finance. The sector continued to be ignored because in the British political system, the conduct of government is still considered to be ‘good’ when strong and decisive and ‘weak’ when primarily responsive (Marsh and Tant, 1989, p.4).

These findings again demonstrate that the BPT remained unchallenged in the area of SE policy development in England. SE was not genuinely viewed by the government as a means by which to devolve autonomy to the front-line delivery of public goods.
It was, rather, seen as a newly emerging sector that could be shaped and constrained in the image of policy makers still largely informed by the exigencies of the BPT.

This underlying commitment to strong, centralised forms of government created conflict between the rhetorical commitments of successive government’s from 1997 to 2015 and what they achieved in reality. Whilst each talked up (to varying degrees) the idea of devolving autonomy to the SE sector, in reality little appears to have been done to achieve this end.

8.3 - Resources Did Not Match Rhetoric

There was a broad consensus emerging from the interviews conducted for this research that levels of resources directed toward the SE agenda did not match the rhetoric surrounding SEs role in the Third Way and Big Society respectively. Despite having dedicated units established within various government departments: the DTI and then Cabinet Office, very little was actually spent in resourcing these units which acted mainly as small coordinating offices. Policies were reportedly announced and then abandoned at a later stage when ongoing costs could not be met and ultimately the amount achieved is said to have varied with the potential for significant gains never really met.

One senior civil servant, talking about the resourcing of the first SE unit at the DTI said: ‘the funny thing was we never had any money […] I didn’t have a budget I begged and borrowed everything I got and we never gave grants’. 219 This led to some potential partners within SE and the Third sector looking on the unit as a ‘PR construct’. 220 The same civil servant went on to argue that whilst the unit was very small and not significantly resourced this was commonplace within Whitehall and did not, in her view, indicate that SE was any less a priority of government:

People outside the civil service think you've got bags of [money] but it doesn't work that way. I was asked to be the head of [a section within a department] but they wouldn't initially release me from my then job for 6 weeks so I had to do both jobs in parallel. I had an agency secretary, no office and spent all of my time out talking to people. Then I had a fast

219 Civil Servant 1, interviewed 21st July 2017.
220 Civil Servant 1, interviewed 21st July 2017.
streamer who came to me as her first job. Even by the end the biggest my team ever was, was 10 of us [...] its very typical of how the civil service works, it’s very lean.221

Despite the well-publicised 2002 strategy for SE, limited resources were being funnelled into directly supporting the sector. This continued under the Brown government where a junior minister described having ‘only had a small budget, we would use it for small grants programmes’ with a greater focus being placed on ‘funding a quality mark programme or whatever lever there was for change’.222 This approach to low levels of initial funding used to set-up a specific scheme, however, led to a number of programmes being abandoned shortly after their initial launch period.

One civil servant described how a project they had developed to support Third sector organisations looking to convert to SE organisational forms was funded only for the duration of its development. Once the work had been carried out to compile the recommendations the funding stopped and there was nobody to help implement it: ‘I delivered [the report] in October and briefed the minister and then in theory it was over. They said you’ve done that now and you can leave’.223 As a result the uptake was extremely limited and in the view of that civil servant made the project not very worthwhile.

The idea that government was not prepared to follow through on projects designed to support SE was also referred to by a senior civil servant who told of how: ‘things have just faded and fizzled out [...] because you don’t have the infrastructure there to support it, you haven’t got the thinking, the policies but also just the physical resources to do the work and it must be very difficult now to keep that going’.224 The same civil servant argued that ‘they set in place certain things – apart from money – to support the relationship building and all that kind of thing and then that all just seemed to fizzle away’.225 The longer-term commitment to supporting SE appears to have fallen short of the expectations of both those in the sector and in Whitehall. This continued into the Coalition years.

221 Civil Servant 1, interviewed 21st July 2017.
223 Civil Servant 3, interviewed 10th July 2017.
Between 2010 and 2015 the Cabinet Office (which was responsible for SE policy) spent an average of 1.29% of its yearly budget on projects and items related to SE. In four of the six years in question it spent less than 0.2% (see table 8.1). This is especially striking given the relatively minimal spending power of the Cabinet Office compared to many departments across government.

Table 8.1: Cabinet Office Spend on SE as a Percentage of Total Spend (2010-2015)

<table>
<thead>
<tr>
<th>Financial year</th>
<th>Total Cabinet Office Spending (items over £25,000)</th>
<th>Cabinet Office Spending on SE (items over £25,000)</th>
<th>Spend on SE as % of Total Cabinet Office Spending (items over £25,000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015/16*</td>
<td>£55,495,768.42</td>
<td>£0</td>
<td>0%</td>
</tr>
<tr>
<td>2014/15</td>
<td>£580,769,818.60</td>
<td>£36,943,708.68</td>
<td>6.36%</td>
</tr>
<tr>
<td>2013/14</td>
<td>£470,086,691.40</td>
<td>£843,098.85</td>
<td>0.18%</td>
</tr>
<tr>
<td>2012/13</td>
<td>£367,371,746.00</td>
<td>£462,010.27</td>
<td>0.13%</td>
</tr>
<tr>
<td>2011/12</td>
<td>£421,113,965.74</td>
<td>£462,166.29</td>
<td>0.11%</td>
</tr>
<tr>
<td>2010/11</td>
<td>£387,094,004.42</td>
<td>£3,747,252.10</td>
<td>0.97%</td>
</tr>
</tbody>
</table>

* This data set ‘financial year 2015/16’ only includes data from March to May 2015 in line with the temporal limitations of this study.

Despite the rhetoric which appeared to suggest a significant focus on support for SE, as part of the broader Big Society, the Coalition funnelled very few actual financial resources to the sector via the responsible department.

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226 This data is drawn from my analysis of Cabinet Office spending on items over £25,000 GBP. The raw data can be found at https://www.gov.uk/government/publications/cabinet-office-spend-data. The data, which represents all spending by the Cabinet Office on items over £25,000 between April 2010 and April 2015, was searched for any spending containing the phrase ‘social enterprise’; the returns were manually checked to ensure accuracy. The total annual spend on items containing the phrase ‘social enterprise’ was then given as a percentage of the total annual spend of the Cabinet Office (on items over £25,000).

227 The Cabinet Office was the 11th lowest spending Government department in 2016/17 according to the Institute of Government. More information is available at https://www.instituteforgovernment.org.uk/explainers/departmental-budgets.
Whilst some projects and advancements were achieved many were left without resourcing once their initial launch had been completed. A senior figure in the SE movement at the time described there being: ‘elements of things that were more substantial and there were things that were superficial’. This gap which appears to have formed between what the respective administrations said they wanted to do in relation to supporting SE and what was actually committed in terms of resources to achieve this suggests that the SE support agenda was founded more in rhetoric than reality.

8.3.1 - More Rhetoric than Reality?

Practitioners, ministers and civil servants interviewed for this research all broadly agreed that government commitment to SE was more founded in rhetoric than reality. They argued that less was achieved in support of the development of SE than had been claimed by any of the administrations between 1997 and 2015. Whilst advances were made regarding the public profile of SE, access to funding and delivery of public services were, in comparison, found wanting. One minister serving during the Coalition government argued that: ‘We did not make as much progress as I would have liked on [SEs] delivering public services which I put down to the challenge of culture change in that very difficult environment’. Whilst a senior figure in the SE movement told of how: ‘they have achieved a fraction of what they could really do, sometimes the claims were a bit bold’. There appears to be a pervasive belief among practitioners and policy makers that what began as a policy objective with good intentions ended up having a much less noticeable impact on the development of SE in reality.

One senior civil servant argued that SE was subsumed by a wider third sector agenda and, over time, lost its dedicated focus:

SE is now a term in common use (even if few could really define it) and, in my time and for a while after under my successor, it did feature in all departmental policy documents. But it later started getting shifted and downplayed as [SE] lost its focus and status and became just part of The Third sector.

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229 Minister 2, interviewed 6th July 2017.
231 Civil Servant 1, interviewed 21st July 2017.
SE went from a principal focus of government policy to just another part of the civil society agenda, there to deliver on centrally-defined objectives.

A leading voice in the SE movement further confirmed this view when he described how the sector felt betrayed by the promises of the Coalition government that SE would be allowed the autonomy to develop and deliver services:

Cameron […] was talking about a bolder civil society sector, it was going to be the first not the third sector, the reality couldn't have been further from the truth, but the rhetoric hooked a lot of us in. After 13 years of the previous Labour government I think people believed there was a real opportunity to seize power or be given greater powers in terms of delivery and design of public services and other things than there had been under the previous administration. There was a genuine belief that would happen across the sector.²³²

This account emphasises the extent to which the major representative organisations of the SE sector felt that the rhetoric surrounding government’s support for SE did not match the reality. They believed that clear commitments had been made to support the autonomy of the sector and that, over time, these had not materialised. A senior civil servant commented that she felt this reluctance to devolve power to SEs was reflective of a wider conflict within Whitehall concerning greater levels of devolution. She described how: ‘a lot of ministers in government think: if only we could just run everything from Whitehall it would be a lot easier, then you have others who think that localism is the way to go and we should be devolving more and more’.²³³ She believed this had resulted in ‘a bit of a mish-mash, neither one thing nor the other, and that’s quite hard when you’re trying to work with the third sector’.²³⁴ This confused approach resulted in SEs feeling that commitments made to empowering the sector and delivering on an agenda which they would at least help to shape were reneged upon. A leading figure in a national SE representative organisation raised the example of central government indirectly devolving funds to SEs through local authorities:

The way they went about giving money to local authorities instead of to SE was very command and control. Governments often speak the language of empowerment and devolution and yada yada but it never happens

²³³ Civil Servant 4, interviewed 27th July 2017.
²³⁴ Civil Servant 4, interviewed 27th July 2017.
because ultimately people don’t want to give up the reins of power. Thus it always has been.²³⁵

The resulting scepticism toward government that emerged within the SE movement is apparent in the interviews conducted for this research. What began as an opportunity to really devolve autonomy to the sector to develop, innovate and provide local solutions to social problems became a set of policy objectives that would help shape SE to better serve the interests of government whilst allowing for displays of rhetoric which would suggest greater levels of resources and support were being deployed than was actually the case.

8.3.2 – Empty rhetoric and the continuity of the BPT

The extent to which there was a gap between the rhetoric and reality of SEs role in the delivery of public goods under New Labour and the Coalition, and why this might be so, is a key research question of this thesis. An inspection of the kinds of things governments were saying about SE from 1997 to 2015 suggested that the sector could potentially have illustrated the rise of a more eclectic mix of actors and organisations in the policy process and in service delivery in the UK.

SE has been subject to grand claims under all three governments examined in this study. It has been described as: offering ‘radical new ways of operating for public benefit’ (Blair, 2002) pioneering new approaches to the delivery of successful public services (OTS, 2006a) and becoming part of a ‘self-sustaining, independent market that is going to help build the big society’ (Cameron, 2012). Under all of these governments it was described as a means by which to devolve greater levels of autonomy to non-state actors to deliver services and public goods.

Given the claims made by these successive governments SE could reasonably be believed to have signalled a change in the way public goods were delivered over time and, crucially, a change in the relationship between state and non-state actors. The data revealed in this thesis, however, has demonstrated that no such challenge or change occurred. It has shown that SE did not constitute a significant challenge to state-centric

forms of governance and the dominant traditions which help to inform policy making in the UK.

The idea that a new era of ‘governance without government’ (Rosenau and Czempiel, 1992) may have emerged is not reflected in the story of SEs’ development in England. Whilst the rhetoric may have suggested a devolution of autonomy to the sector, what occurred in reality was far from indicative of a hollowed-out, fragmented polity. The core executive talked up and withdrew funding for the SE sector as and when it saw fit. Whilst each government began with an ambition to support SE’s independence, in practice each eventually resorted to a command and control model, eventually losing focus on SE. Its rise and fall as a salient policy area within government was not decided by the sector itself but by centrally determined priorities.

8.4 - Conclusion

This final empirical chapter set out to answer a key research question of this thesis: did SE led to a meaningful transformation of the British political system by shifting power and autonomy away from the centre to non-state actors delivering services on the frontline?

It began by assessing the extent to which successive governments had set out to shape the emergence of SE in the UK, exploring how the core executive viewed SE as an alternative means of delivering public services. It examined the privileging of national representative organisations which agreed with the government’s priorities for SE as an alternative means by which to deliver public services and argued that government ultimately acted to diminish SE’s potential as a radical alternative to mainstream forms of business.

It then considered the ways in which SE initially resisted Whitehall’s interest and involvement in the sector. This was shown to have caused a dilemma for the movement as it sought to resolve its scepticism of central command and control with the desire to access public contracts and resources in order to grow and achieve its social mission. This inevitably meant accepting direction it might have otherwise resisted.
Government’s prioritisation of (largely equity) finance was shown to have been pursued even where limited demand was identified within the sector itself for such a focus. Even when SEs reluctantly acquiesced to these externally imposed priorities, governments devolved little genuine autonomy to the sector in return. The SE agendas of all governments between 1997 and 2015 are ultimately shown to have been founded more in rhetoric than reality.

This thesis set out on the premise that SE had all the potential to offer a serious challenge to the dominance of the BPT. All governments during the period of study rhetorically evoked the idea of an independent SE movement capable of designing and delivering public goods. This leant itself to a growing body of literature which questions the extent to which one single dominant BPT informs the workings of the British political system (Hall, Marsh and Vines, 2018; BR, 2003, p.2).

The findings set out in this chapter have shown, contrary to that literature, that the notion of a single dominant BPT based on a limited liberal conception of democracy and a conservative notion of responsibility, remains intact. Whilst these governments may have been rhetorically committed to devolving more autonomy to the SE sector, in reality they continued to constrain and shape its development and, where necessary, resorted to displays of hierarchical power, bypassing the sector, to achieve its will. No evidence emerged in this study to suggest that the emergence of SE has represented a challenge to the pervasiveness of the BPT.

In terms of the governance approach, the findings set out in the chapter revealed that SEs emergence did not constitute the rise of an autonomous policy network or demonstrate a shift to a fragmented or decentralised state (as argued by Rhodes, 1997). Rather, the data showed that hierarchy continued to dominate government and non-state actor relations which continue to be defined by domination and subordination (Bell, Hindmoor and Mols, 2010, p.853).

In the next, and final, chapter of the thesis the findings set out in Chapters Six, Seven and Eight will be discussed and located within the context of the wider research questions this thesis set out to answer. Final conclusions will be drawn, contributions
will be laid out, limitations and avenues for future potential research will be considered.

8.5 - Discussion

This section looks back on the findings revealed in the last three empirical chapters and reflects on the key ideas identified in the analytical framework.

In Chapter 6 the approaches of the Blair, Brown and Cameron governments are characterised. The contribution of this new data helps to fill a significant and crucial gap in the extant SE literature which has never before detailed the emergence and development of SE from 1997 to 2015.

It shows how each government had a clear and pre-determined conception of the role SE could play in the delivery of public goods: from an alternative provider of major public services to smaller community-based provision to privately financed enterprise. These agendas were pursued ‘dogmatic[ally]’ and demonstrate the continued commitment to key tenets of the BPT. They show the executive’s willingness to recourse to strong, centralised and not necessarily responsive government (Marsh, 1980; Marsh et al, 2001; Hall, 2011). This tendency to hoard power is closely associated with the dominant tradition and reveals its pervasiveness in Whitehall (Diamond, 2014).

Chapter 7 considers the nature of the relationships within the SE sector, between SE and the wider third sector and between SE and Whitehall; revealing the power dynamics which exist between them and the core executive.

The data reveals that SE policy networks existed but did not constitute a new form of governance capable of displacing the power of the centre, as the European policy network literature suggests (Kickert et al, 1997; Kennis and Schnieder, 1991). They were, rather, directed and maintained by the state and dismissed when they dissented. In addition to this the executive chose their membership and principally selected SEs likely to support their agenda at the time. They are shown to have deployed resource

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236 SE Practitioner 1, interviewed 24th July 2017.
asymmetries and determined operational parameters to exert influence over the sector (Holliday, 2000). Rather than suggesting that the state has been hollowed out, Chapter 7 demonstrates how, despite the rise of an increasingly fragmented polity, governments are able to extend their reach through the coordination of networks and non-government actors (Marsh, Richards and Smith, 2001).

When networks resisted the will of the executive they were dismissed and overridden (such as the controversial move to transfer responsibility for SE from the SEU to the Cabinet Office). Rather than being capable of resisting such a move, as Rhodes (1992, 1997) might have suggested would occur, the sector and the policy networks in which they operated were overridden and dominated by the core executive, which deployed hierarchical forms of governance at will (Bell and Hindmoor, 2009). In the case of SE, hierarchy is shown to remain the principle form of governance.

Chapter 7 also reveals the importance of actors’ abilities to negotiate relationships within and across Whitehall; to champion a policy and to drive it forward. A crucial factor in the success of such actors is shown, however, to be closely linked to their proximity to the centre. Power remains concentrated here and, contrary to Rhodes’ (1992, 1997) conception, is the key location of power in the British political system.

Chapter 8 considers the primary research question of the thesis: the extent to which the emergence of SE posed a genuine challenge to the dominance of the BPT? It also considers how the rhetoric of each government concerning SE mapped onto the reality.

The SE sector was shown to have initially attempted to resist the direction of Whitehall before ultimately bowing to the pressure of the resource and power asymmetry present between the two.

The seemingly genuine commitments of each government to devolving autonomy to the sector were shown to have never materialised. The way actors and institutions conceived of the role of government buttressed the concepts of the strong and centralised executive espoused by the critical BPT literature The idea that competing traditions may have impacted on this was not evident in the data. The relationship continued to be defined by the domination of the core executive and the subordination of SE (Bell, Hindmoor and Molls, 2010). The analytical framework provided by the
BPT informs these debates and helps to frame the data which contributes to them in this thesis.

The disparity between the rhetoric and reality of successive government’s commitment to supporting and devolving autonomy to SE is also revealed. This is not to suggest that these rhetorical commitments should be viewed with cynicism but rather, that in the face of a seemingly genuine desire to devolve power, the core executive was limited by its own conception of the role of government and what makes effective government. These ideas are formed and perpetuated by the persistence of the single meta-tradition of the BPT.
Chapter Nine – Conclusion

9.1 – Introduction

This thesis set-out to address four key research questions:

1. Given the alignment between SE and the Third Way and the Big Society, how was SE conceived of and developed in practice under the New Labour and Coalition governments from 1997 to 2015?
2. Did the rhetoric and reality of SE’s role in the delivery of public goods differ, and if so why?
3. How may we understand the nature of network relationships involving SE?

Each of these questions feeds into the overarching research question which asks: does an analysis of the Blair, Brown or Cameron governments, and their relationships with SE, reveal a challenge, or change, to the dominant traditions which shape the institutions and processes of the British political system and if not, why?

The subsequent empirical fieldwork employed to address these questions has led to four substantive research claims:

- Between 1997 and 2015 the emergence of SE in the UK was shaped and constrained by successive governments determined to define its purpose and its role in providing public goods.
- Whilst each of these governments initially committed to a strengthened, autonomous, role for SE, none delivered on this commitment.
- Despite the inclusion of SE in policy networks across government, the sector’s emergence did not fundamentally change the relationships that existed in the Whitehall system.
- The emergence of SE in the UK did not result in a challenge or change to the dominant traditions which shape the institutions and processes of the British political system. This is because the BPT dominated the way actors conceived of the power relationship between SE and the core executive which, in turn, prompted the continuation of hierarchical forms of governance.

This final chapter unpacks each of these claims. It begins by offering a summary of the thesis, it then sets out the findings and discusses the specific contributions these make to three bodies of literature (the SE, BPT and governance literatures). Finally, it
concludes with reflections on the limitations of the study and possible directions for future research.

9.2 – Thesis Summary

This thesis originated from an interest in SE as a potential means by which to remedy the conflict between the efficiency of private provision and the inherent social values embedded in the public sector. It seemed to represent an opportunity to diversify the delivery of public goods without exposing these same services to an unbridled profit motive. The drive to achieve this seemed to be emanating from SEs and social entrepreneurs themselves.

On commencing the study, what the existing SE literature revealed is firstly, the absence of any substantive analysis of the emergence of SE from the perspective of its impact on the delivery of public goods. Secondly, it revealed that what did exist, appeared to challenge the notion of the self-determination and autonomy of the SE sector and its development in the UK.

This literature (Cho, 2006; Ridley-Duff and Bull, 2011; Somers, 2013; Edmiston, 2015) raised the initial possibility that SE may have been limited or constrained in its emergence in the UK but did not offer an account of, or evidence for, this claim and did not attempt to explain why it may be the case. This represented a significant gap in knowledge, a lacuna this thesis has sought to address. In so doing, it has also contributed to two further bodies of literature (the BPT and governance literatures) whose theoretical perspectives have been used to help shed light on the phenomenon.

This thesis’ main contribution is an empirical one. It reveals how SE in the UK was shaped and constrained by the Blair, Brown and Cameron government’s and characterises the specific approaches each took to developing the sector. It also makes a conceptual contribution to the SE literature through its application of the analytical framework of the British political tradition; connecting the SE, BPT and governance literatures for the first time. This approach is used to explain continuity in the relationship between government and SE as an alternative provider of public goods.
It contributes to the BPT literature by reaffirming notions of a single dominant BPT and countering ideas of a rise in competing traditions. The thesis also contributes to the governance and policy network literatures by revealing new data which supports the claims made by the state-centric accounts of British governance.

The first empirical chapter of this thesis sets out the way SE was characterised under each of the three premierships between 1997 and 2015. It revealed that each attempted to shape the development of SE in accordance with their own centrally determined policy objectives. For the Blair governments, this meant promoting SE’s role as a major alternative provider of public services and a key feature of the Third Way governing approach. For the Brown government, SE was redefined as a soft form of community service and innovation on a localised scale which should not be allowed to usurp the role of public sector providers in service delivery. Finally, the Cameron-led government was revealed to have pursued its own specific focus on improving access to finance and investment for the sector, even where this differed with the demands of the sector itself.

The second empirical chapter assessed the nature of the relationships both within the SE movement, between SE and the wider Third sector and between SE and Whitehall. The evidence showed that the SE movement had been dominated by London-centric elite representative organisations, cultivated by government. It showed that charities, cooperatives and voluntary organisations perceived SE to be a threat to their potential to attract both policy support and resources from government and deliberately attempted to undermine the progress of SE. Elements of Whitehall are also shown to have actively resisted the progress of SE with some civil servants, resorting to hierarchal forms of governance when encountering resistance from the sector.

The final empirical chapter considers the extent to which autonomy had been devolved to SE by successive governments from 1997 to 2015. It reveals how each government set out to shape the emergence of SE in the UK and how each ultimately acted to diminish SE’s potential to become a radical alternative to either conventional business forms or centralised provision. It asks if and how the development of SE led to, or resulted in, a challenge or change to the dominant traditions which shape the
institutions and processes of the British political system; its findings reveal that it did not.

9.3 – Thesis Findings

The thesis findings are set out here in relation to each of the research questions raised at the outset of the study.

9.3.1 – Conceptions of SE under New Labour and the Coalition

The thesis begins by asking: given the alignment between SE and the Third Way and Big Society, how was it conceived of and developed in practice under the New Labour and Coalition Governments from 1997 – 2015?

The evidence set out in Chapter Six reveals that each of the governments in office during this period sought to shape the way SE was conceived of and attempted to limit its potential to fulfil their respective centrally determined policy priorities.

9.3.1.1 – The Blair Governments (1997-2007)

The Blair governments viewed SE as a means by which to reform public services and help to develop the concept of the Third Way governing project. They saw SE as an alternative provider of services which could bring together the best of public and private (DTI, 2002, p.5).

SE was conceived of in the terms of its ability to support the core executive’s own agenda with then Minister Stephen Timms declaring that the government wanted to see SE deliver against centrally determined priorities. Foremost amongst these were policies which supported the development of new ways to deliver public services (Timms, 2002). So ‘dogmatic’ was this approach to the role of the sector that activists questioning the dominance of the public service agenda at the time were told by civil servants that this was a deliberate choice and that their chances of success in attracting funding and support would be greatly enhanced if they met this vision.

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237 SE Practitioner 1, interviewed 24th July 2017
238 Civil Servant 1, interviewed 21st July 2017.
All of this contributed to the development of the broader Third Way governing programme championed under Blair. SE, and its perception as a bridge between public and private, was seen to ‘chime’ with New Labour’s project.\textsuperscript{239} It offered a way to ‘square the circle’ when it came to ‘people who want to make money but do good in the world’.\textsuperscript{240}

SE under the Blair governments was viewed as a means by which to reform public services whilst simultaneously adding policy substance to the Third Way governing concept.


The Brown government is seen to be principally concerned with redefining SE as a form of localised community service that allowed for a modest role for SE in service delivery, again largely at the local level (Cabinet Office, 2007 B). The Brown government’s conception of SE was framed by the BPT and the notion that a strong core executive was ultimately responsible for the delivery of major public services.\textsuperscript{241}

Whilst the Brown government did retain some interest in the role SE could play in service delivery, the focus shifted to viewing SEs as an ‘adding on to, not re-baking the cake’.\textsuperscript{242} The concept of redesigning the way public services were delivered (reflective of the Blair government’s approach) was replaced by a vision of SE as a form of community activism.\textsuperscript{243}

The Brown premiership altered the executive’s conception of SE, and in turn the way it was supported and described by the government. The executive did not change its conception of SE in response to consultation with the sector or because of any grassroots persuasion to this end. It altered its conception of the movement unilaterally.

\textsuperscript{239} SE Practitioner 4, interviewed 20th September 2017.
\textsuperscript{240} Minister 3, interviewed 25th July 2017.
\textsuperscript{241} Civil Servant 4, interviewed 27th July 2017.
\textsuperscript{242} Minister 3, interviewed 25th July 2017.
\textsuperscript{243} Civil Servant 2, interviewed 14th July 2017.
because a change in executive leadership had provoked a different set of political priorities.


The Coalition government is shown to be primarily focussed on the development of social investment markets. It sought to encourage SE to pursue private capital for growth. At the same time the Coalition also conflated the emerging SE sector with ideas of voluntary and charitable community self-provision.

The Coalition was ‘far more interested in social investment than they were in [SE]’ and the majority of their policy focus fell in this area (see. Fig 6.4). This was shown to have resulted in the alienation of some key activists in the SE sector who felt that the executive had predetermined that ‘the investors were the smart ones and it should be them who decide the product suite that became available’.

As the austerity agenda impacted on available funding for public services, SE was increasingly viewed by the core executive as a potential means to fill emerging gaps in provision. SE was subsumed within the Big Society community service agenda which itself was ultimately side-lined.

Significant reductions in public spending had a marked impact on the work of SE in the UK. It damaged relations between the sector and government and fuelled the belief that the Coalition was not committed to supporting the autonomous development of SE. Rather it was perceived as shaping it for its own ends. SEs felt that the sector was co-opted by the government to help deliver its commitment to a reduction in spending by replacing public provision with the acceptable face of privately funded services.

The Coalition pursued its agenda for SE, despite resistance from the sector itself. The executive continued to exert its dominance over SE, shaping its conception to reflect the government’s own priorities for: greater uptake of social investment; the private

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244 Civil Servant 4, interviewed 27th July 2017.
provision of formerly public services; and the filling of gaps in provision created by reductions in public spending.

9.3.1.4 - Conceptions of SE Under New Labour and the Coalition – What Have We Learnt?

The findings set out in Chapter Six reveal, for the first time, the way SE was conceived of under each government from 1997 to 2015 (summarised in table 9.1)

<table>
<thead>
<tr>
<th>Government</th>
<th>Principal conceptions of SE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Blair government</td>
<td>• SE viewed as an alternative (non-governmental) provider of major public services</td>
</tr>
<tr>
<td>1997 - 2007</td>
<td>• SE as the epitome of Third Way values; combining the best of public and private</td>
</tr>
<tr>
<td>Brown government</td>
<td>• SE conceived of as a localised form of community service, unsuitable for major public service delivery</td>
</tr>
<tr>
<td>(2007-2010)</td>
<td></td>
</tr>
<tr>
<td>Coalition government</td>
<td>• SE should be funded through social investment markets</td>
</tr>
<tr>
<td>(2010 – 2015)</td>
<td>• SE is well placed to fill gaps in provision arising from reductions in public spending</td>
</tr>
<tr>
<td></td>
<td>• SE was subsumed into the wider Big Society agenda and reconstituted as part of the broad third sector.</td>
</tr>
</tbody>
</table>

Table 9.1: Characterisation of SE (1997-2015)

Understanding how these governments characterised and conceived of SE is crucial in answering the key research question of this thesis: does an analysis of the Blair, Brown or Cameron governments, and their relationships with SE, reveal a challenge, or change, to the dominant traditions which shape the institutions and processes of the British political system and if not, why?

Once these conceptions have been established, it is then necessary to understand to what extent the rhetoric adopted by each government was matched by their actions.

9.3.2 – The Gap Between Rhetoric and Reality
The second primary research question of this thesis asks: did the rhetoric and reality of SE’s role in the delivery of public goods differ and, if so, why?

Findings set out in Chapters 6 and 8 both contribute to answering this question. They build on the mapping of government conceptions of SE revealed in response to the first research question.

9.3.2.1 – The Blair Government

The Blair government made clear rhetorical commitments to decentralising power away from the core executive towards communities and SEs to ‘improve’ the way public services were delivered. In their 2001 manifesto, the Labour Party stated that: ‘the key [to reforming public services] is to devolve and decentralise power to give freedom to frontline staff who perform well, and to change things where there are problems’ (Labour Party, 2001).

It made further bold commitments to decentralise the way services were delivered to ‘drive up standards’ (Labour Party, 2001). This pledge to break the ‘suffocating centralisation of British government’ (Labour Party, 2001) highlights the Blair government’s rhetorical commitment to devolve power and autonomy to the likes of SE.

The promise of this rhetoric was not, however, delivered in practice. The findings of this thesis reveal that the Blair Government retained a command and control approach, seeking not to devolve autonomy to the sector but to recruit it as an alternative deliverer of public services. The executive was strong, didactic and ‘dogmatic’\textsuperscript{246} in its treatment of SE; shaping it to focus on public service regardless of the will of the sector itself. Key national practitioners felt that the language used to discuss SE had been ‘hijacked’\textsuperscript{247} and those operating in the regions felt that government was ‘taking over’.\textsuperscript{248} SE was championed by the executive precisely because it could be made to complement their own governing agenda at that time.

\textsuperscript{246} SE Practitioner 1, interviewed 24\textsuperscript{th} July 2017.
\textsuperscript{247} SE Practitioner 3, interviewed 29 August 2017.
\textsuperscript{248} SE Practitioner 1, interviewed 24\textsuperscript{th} July 2017.
9.3.2.2 – The Brown Government

Whilst the Brown government sought to pursue a different approach to SE, there remained a stated commitment to improving levels of autonomy and independence for those community groups undertaking the delivery of localised services. Even in these more limited circumstances, a clear rhetorical gap existed between the stated approach of greater devolution at the community level and the government’s more dirigiste and controlling methods in practice. By 2007, overt claims of devolving such autonomy to the sector had all but disappeared. Instead of ‘positively encourag[ing] [SEs] involvement in the design and delivery of public services’ (OTS, 2006a, p.49) the 2007 update merely proposed that SEs had the capacity to make a contribution to some of the government’s aims and objectives (OTS, 2007, p.5).

9.3.2.3 – The Coalition

The gap between the rhetorical and the material continued under the Coalition government. As before, SE practitioners at the national and regional levels felt that talk of greater devolution of autonomy was undermined, in this instance, by a lack of meaningful capital investment and significant cuts to local funding which offset any gains that may have been achieved through social investment.

Whilst the rhetoric of the Coalition, like both the Blair and Brown governments before it, professed the empowerment of local communities and non-state actors, many practitioners felt that SE was being honed to fit with a predetermined agenda of cuts to public services and a greater level of voluntary-aided provision. This was confirmed by senior civil servants who argued that cuts to public spending and departmental funding significantly negatively affected supporting infrastructure for SE.249

Under each respective government, a gap between rhetoric and reality was identified. Each spoke of their intentions to devolve greater autonomy to the sector before going on to impose their own conceptions of the role it should occupy in the delivery of

249 Civil Servant 4, interviewed 27th July 2017.
public goods. Even within those networks where SE and Whitehall came together to help determine how best to support the sector, the executive remained the dominant player and the fulcrum of the network.

This is a key finding of the research as it reveals that despite their overt commitments, no government during the period of study devolved autonomy to the nascent SE sector. This makes a significant contribution to the thesis’ ability to answer its most fundamental research question: did SE mark a challenge, or change, to the dominant traditions which shape the institutions and processes of the British political system and if not, why?

9.3.3 – SE and the Impact on Whitehall Relations

The third primary research question of this thesis asked: how may we understand the nature of the network relationships involving SE?

Chapter Seven examined the nature of relationships within the SE movement, between SE and the wider Third sector and between SE and Whitehall. It revealed that whilst SE representatives were included in active policy networks, these networks were not autonomous or self-directing and were largely constrained by the state which controlled both the membership and agenda. Where the interests of the sector clashed with that of the government, SE was dismissed and overruled.

9.3.3.1 – SE Internal Relations

Internal SE relations were dominated by elite national representative organisations which were actively cultivated by government to bolster the core executive’s agenda for the movement. Local and regional SEs were largely excluded. This was shown to have occurred because the core executive chose the membership of its networks and, under the Blair administration, gave privileged access to those who shared their view that SEs should play an enhanced role in the delivery of major public services.
The core executive deployed its resource asymmetries and hierarchical power to shape the parameters of the governance and network relationships within the SE sector (Holliday, 2000, p.175). The executive remained the fulcrum of the network.

9.3.3.2 – SE and the Wider Third sector

When it came to relations between SE and the wider Third sector, SE was shown to be viewed as a threat to the potential of charities, cooperatives and voluntary organisations to garner support and resources from government. In some instances, other Third sector organisations deliberately attempted to undermine the progress of SE. The trade union movement was shown to have been equally hostile in its relations with SE; viewing it as a threat to the public nature of public services and the interests of the union membership. Despite their clear objections to an enhanced role in service delivery for SE, government ignored the interests of the third, cooperative and trade union sectors and continued to pursue their agenda. Their objections were overruled by the government which favoured, instead, the development of SE as a means to deliver major public services. 250

9.3.3.3 - SE and Whitehall

When it came to relations between SE and Whitehall, policy makers were shown to have resorted to consulting with established networks and those broadly agreeable to their goals. Under the Blair government, they even funded those organisations which agreed with their vision of SEs delivering major public services. When the memberships of these networks disagreed with government, the core executive deployed hierarchical power to pursue its agenda regardless of their views. In the case of SE, the data revealed that whilst networks were established in the area of SE policy they lacked any genuine influence or autonomy. They legitimised, instead, the government’s objectives and were overridden when they dissented.

The evidence in Chapter Seven shows how the centre retained a position of dominance in its relations with the SE movement and network. It is vital to understand the

250 Minister 3, interviewed 25th July 2017
dynamics of these relationships which in turn help to answer the key research question of this thesis - to what extent the emergence of SE signalled a challenge or change the dominant BPT?

9.3.4 – SE: a Genuine Challenge to the BPT?

The final overarching research question of this thesis came in two parts. The first asked: does an analysis of the Blair, Brown or Cameron governments, and their relationships with SE, reveal a challenge, or change, to the dominant traditions which shape the institutions and processes of the British political system? The second asked: if not, why?

This thesis set out on the premise that the emergence of SE in the UK posed a significant challenge to the dominance of the BPT. The Blair, Brown and Cameron Governments all gave their rhetorical support to the idea of an autonomous SE movement capable of designing and delivering public goods. This leant itself to a growing body of literature which challenges notions of a single dominant BPT informing the workings of the British political system (Hall, Marsh and Vines, 2018; BR, 2003, p.2).

The findings of this thesis, set out in Chapter Eight, challenges the extant literature (Rhodes, 1997; BR, 2003; Hall, Marsh and Vines, 2018) by revealing that the notion of a single dominant BPT based on a limited liberal conception of democracy and a conservative notion of responsibility, remains (in this case) intact. Whilst the Blair, Brown and Cameron governments may have been rhetorically committed to devolving power to the SE sector, in reality they constrained and shaped its development; resorting to hierarchical power when encountering resistance. No substantive evidence was found in this study to support the notion that the emergence of SE represented a successful challenge or change to the existing mode of governance reflected in the BPT.

The findings laid out in the thesis contribute to salient debates within the BPT and governance literatures over the extent to which the centre has been ‘hollowed out’ by the pluralisation of locations, actors and organisations through which policy making now
occurs. It reveals that the emergence of SE did not result in the rise of autonomous policy networks or demonstrate a shift away from a highly centralised and homogenous state to a more fragmented and decentralised one. Whilst there were more actors involved in the policy making process, the emphasis was on their being delivery agents, operating under a principal-agent approach, rather than as key stakeholders. The continued prevalence of hierarchy remains, with government and non-state actor relations still being defined by domination and subordination (Bell, Hindmoor and Mols, 2010, p.853).

Rhodes’ claims concerning the Anglo-governance approach suggest that the British polity has been fragmented and the core executive’s ability to centralise power has declined. He argued that Whitehall and the executive no longer constitute the ‘fulcrum’ of the policy network (Rhodes, 2012). Society-centric accounts of governance, like these, suggest that the state’s ability to steer policy outcomes in the shadow of hierarchy has been usurped by powerful, autonomous, policy networks in a shift to neo-pluralism (Rhodes, 1997, p.59). In addition to Rhodes; Smith (1998), Jessop (1995), Peters (1993) and Weller (1997) have all considered or proposed the potential erosion of power from the core executive and the rise of a hollowed-out, fragmented polity.

Contrary to these claims, this thesis demonstrates that the core executive has shaped the development of the SE in the UK. It has controlled the membership of networks and pursued its own agenda regardless of the views of SEs themselves. Policy making, in relation to SE, over the period did become more fragmented than the Westminster model would suggest, but not to the degree of seeing the erosion of a command and control approach by the executive which is a core tenant of the BPT. It rejects the neo-pluralistic notion of autonomous policy networks and reveals instead the continuation of a set of elite relations between the central executive and SE.

In the case of the Coalition government, even where research commissioned by the executive demonstrated a clear lack of demand for equity finance among SEs (SWQ, 2007, p.42), the government continued to declare its: ‘determination to accelerate the growth of this market’ (HM Government, 2011, p.5). This tendency to pursue policy objectives without the support of the sector is reflective of the BPT which forefronts
notions of strong, centralised and efficient government (Marsh and Hall, 2007, p.22). This belief shared among policy makers that government knows best, pervades thinking in the area of social finance. The sector’s own suggestions for the development of SE were ignored because, in the British political system, the conduct of government is ‘good’ when decisive and ‘weak’ when responsive (Marsh and Tant, 1989, p.4).

These findings clearly reveal that the BPT remained unchallenged in the area of SE policy development in England. The second part of this final research takes these findings and asks: if SE did not pose a challenge to the hierarchical dominance of the centre, why was this the case?

This study has found that SE did not pose a challenge to the power of central government because the BPT dominated the way actors and institutions conceived of the power relationship between the sector and the core executive.

Each government in office during the period of this study demonstrated an adherence to the tenets of the BPT. As a result of the influence of this meta-tradition which underpins the institutions and processes of the British political system, each was shown to have advocated strong, centralised, accountable, but not necessarily responsive, government (Marsh, 1980, p.1; Marsh et al 2001, p.180).

In the case of the Blair government, a command and control approach was retained which contrasted with the rhetoric of SE as a bottom up movement. It was ‘dogmatic’ in its treatment of the sector and took control of the language used to describe and define it. Regardless of what SEs themselves wanted to be or achieve, the Blair government was focussed overwhelmingly ‘on the role [it could play] in the public sector’. These tendencies to strong centralised, accountable, but not necessarily responsive, government are closely aligned to conceptions of the BPT advanced in the critical literature (Marsh, 1980, p.1; Marsh et al 2001, p.180).

251 SE Practitioner 1, interviewed 24th July 2017.
253 SE Practitioner 1, interviewed 24th July 2017.
In the case of the Brown government, there was still a centrally determined view of what SE should be and how it should be conceived of, even if this differed to the Blair government’s view. A different ‘pressure’ was put on ministers to reprioritise efforts to support SEs to become more community focused and all references to its role in public services was removed. This was driven by the convictions of the government who felt that SE had no role to play in public services and that it would be too ‘touchy feely’ at a time when the economy needed a ‘ruthless’ approach to productivity.

The ‘power concentrating governing code’ (Diamond, 2011) of the BPT pervaded the language of the Brown administration which portrayed the state as ultimately responsible for services and irreplaceable by well-meaning alternative business forms which did not possess the capacity to effectively takeover complex services. This view that the state and centre knows best is commensurate with a narrow, limited and elitist conception of the BPT which in turn fosters a ‘power-hoarding’ approach by the core executive (Tant, 1993). This is again closely aligned to conceptions of the BPT which argue that it helps to form the views held by elite actors and the populace which in turn influences their actions and choices and legitimises elite power and authority, reflecting ‘how the political system works’ (Richards and Smith, 2002, p.283).

In the case of the Coalition government, another new focus for the sector emerged - social investment. The Coalition’s focus on social finance was not encouraged or invited by the SE sector, but was externally imposed and ‘entirely driven by the needs of financiers to find a new asset class’. It was constraining the sector for its own ends; the delivery of privately funded services, of which SE could be the acceptable face. SEs felt they were co-opted by the Coalition government to deliver on their commitment to reduce public spending. Rather than being supported to develop as a strong alternative, SE was instead re-incorporated back into the third sector with the only dedicated policy focus being that of social finance. Instead of consulting the

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255 Civil Servant 1, interviewed 21st July 2017.
256 Civil Servant 4, interviewed 27th July 2017.
sector, the government decided that ‘investors were the smart ones and it should be
them who decide the product suite that became available’. So, despite commitments
to devolve greater levels of autonomy to SE, decisions continued to be made by the
executive; redolent of the type of strong, centralised and efficient government
described by Marsh and Hall (2007, p.222) as being central to the BPT. The
development of SE under the Coalition does not represent a divergence or challenge
to the dominant political traditions of the British system, but a continuance.

The institutions and processes of the British political system are shown throughout
this thesis to be ‘underpinned by an elitist conceptualisation of democracy which poses
the major obstacles to the successful implementation’ of any policy that does not lend
itself it to the strengthening of the centre (Evans, 1995, p.4). The prevalence of the
BPT and the way it informs how actors and institutions conceive of the power
relationship between the sector and the core executive informed, in turn, the
continuation of hierarchical forms of governance, the domination of networks and a
command and control relationship between the centre and SE.

The concept of autonomous self-organising inter-organisational networks was not
evident in the case of SE policy. The relationship between Whitehall and SE is one of
asymmetric power, where the core executive utilises its resource-advantage and
operates with limited exogenous restrictions (Marsh, Richards and Smith, 2001). It
continues to centralise power and, where possible, use networks to legitimise its
actions and extend its reach. It remains willing to resort to hierarchical power when
necessary, as Bell and Hindmoor’s (2009) State-Centric Relational approach suggests.

The evidence set out in Chapter Seven reveals that the centre retained primacy in its
relations with the SE movement and network. Elements of the civil service attempted
to frustrate the aims of SE where they ran contrary to its own interests. They utilised
their resource advantage and influence over the policy process and in this sense
continued to practice a command and control mode of governance which, Robichau
(2011, p.123) argues, remains the principle mode exercised in democratic states.

The core executive was shown to have deployed its resources in an asymmetrical and hierarchical manner to coordinate and determine the operational parameters of the governance and network relationships with the SE sector (Holliday, 2000, p.175). Rather than suggesting that the centre had been hollowed out, the evidence indicates that the government, through the complexities arising from a fragmented polity, actually extended its reach (Marsh, Richards and Smith, 2001).

The BPT remained unchallenged in the area of SE policy development in England precisely because it dominated the way actors and institutions conceived of the power relationship between the sector and the core executive and underpinned their responses to its emergence.

9.4 - Thesis Contributions

The principal contribution made by this thesis is an empirical one. It characterises, for the first time, the development of SE in the UK under the Blair, Brown and Cameron government’s and reveals the approaches each adopted to developing the sector. Its findings make specific contributions to three bodies of literature: the dedicated SE literature, the BPT literature and the governance and policy networks literature.

9.4.1 - The SE Literature

The first of these contributions concerns the current body of SE literature which suffers from some under theorisation. Much of it emanates from the business studies discipline where limited consideration has been given to the relationship between SE and the core executive and the impact this may have had on the way the sector has developed in the UK.

The existing SE literature has never been considered through the lenses of the BPT or governance approach. It has, however, asked some of the questions these perspectives are well placed to answer. It has asked, for example, if the state has set out to harness and steer the work of SE for their own governing agenda (Ridley-Duff and Bull; 2011) or have SEs become autonomous entities employing their own steering mechanisms to respond to failures of the state and market in solving social objectives (Cho; 2006)?
Does SE constitute a radical force for change (Ellis; 2010) or does it mimic the mainstream neoliberal impulse to marketise welfare provision (Farnsworth; 2006)?

Somers (2013) and Edmiston (2015) both raise the possibility of SE as an ‘instrument of the state’ (Somers, 2013), encouraged to ‘deliver public services in a way that corresponded with the […] government’s overall policy programme’ (Edmiston, 2015), but neither develops or evidences these claims or investigates them from the perspective of the BPT. It is through an understanding of the impact of the BPT that this thesis can reveal that SE was indeed constrained in its development by the core executive precisely because the BPT dominated the way actors and institutions conceived of the power relationship between the sector and the core executive.

No studies, prior to this one, have ever considered the relationship between SE and the core executive from the governance perspective and none have ever considered the impact of the BPT on this relationship. This thesis addresses this lacuna and improves the theoretical grounding of SE research through the application of the approach of the BPT. The findings it has revealed demonstrate that, in the case of SE, no significant challenge was presented to the continued dominance of the centre; the sector, rather, was shaped and constrained by Whitehall. The evidence presented here has contributed to answering some of those questions raised in the existing literature, grounded in a theoretical perspective which helps to explain the reason for the state’s shaping and constraining of SE and its failure to mount a radical challenge to the hierarchical dominance of the centre.

Several practical implications emerge from this study for both the SE sector and the wider provision of public goods. The development of SE is shown to have been constrained by governments seeking to enable it to deliver on their own, centrally derived, policy goals. Some SEs have embraced this opportunity to scale up and some have felt that their mission was being unilaterally altered to suit the interests of the core executive.

The SE sector, and its representative bodies, could better reflect the range of attitudes towards (for example) social finance and the role of SEs in the delivery of major public services, as revealed in this study. Elements of the sector with existing access to
Whitehall could help to diversify the representation of smaller, regionally located, voices on those networks.

SE was described by practitioners as ‘disruptive and systems changing’ and at its heart ‘radical’. The sector should consider if such aims can be achieved at all by working so closely with the vested interests of Whitehall. Rather than gravitating towards the centre for support and legitimacy, SE could re-embed itself in the communities it serves and prioritise the establishment of financially and politically independent social businesses capable of living up to its radical aspirations.

These lessons are extendable to any non-government actor seeking to engage in the delivery of public goods. The core executive, if truly committed to devolving autonomy to actors at the periphery, should be confident and persistent in allowing such organisations the freedom to determine the means by which to achieve this. The risk of failure is offset by the rich potential of, for example, SEs, third sector providers and local communities themselves successfully developing innovative and effective solutions to public problems.

9.4.2 - The BPT Literature

The second body of literature this thesis contributes to is that of the BPT, set out in detail in Chapter Two. It has focussed on the latest debates within the critical wave of this literature which questions the extent to which a single dominant BPT continues to inform the workings of the British political system and suggests instead that it may now be just one of many competing traditions (BR, 2003; Hall, Marsh and Vines, 2018).

The critical wave as a whole was shown to have conceptualised a dominant BPT informed by a ‘top-down view of democracy that asserts that government knows best’ (Marsh, Richards and Smith, 2001, p.180). Its early contributions proposed the existence of a single all-encompassing tradition which underpins the institutions and processes of the British political system. Subsequent contributions to the critical wave have offered challenges over the stasis of the BPT’s dominance with the likes of Hall, Marsh and Vines developing a critical concept of predominant and competing

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259 SE Practitioner 3, interviewed 29th August 2017
narratives and questioned whether the BPT has now reached a critical juncture in the UK (Hall, 2011, p.118; Hall, Marsh and Vines, 2018).

Through his collaborative work with Hall (2007, 2015), Marsh has argued that ‘the dominant tradition may be increasingly challenged by a competing tradition’ (Marsh and Hall, 2007, p.226). As examples of these challenges Hall gives the participatory tradition (which challenges ideas of representation and responsibility central to the BPT) and nationalist tradition (which challenges notions of national identity) (Hall, Marsh and Vines, 2018). Any change is said to be gradual, interactive and iterative and always subservient to the exigencies of the BPT.

For Hall, these rival political traditions asymmetrically resonate (Hall, 2009, p.115) with dominant and competing political traditions not remaining static. They develop in relation to changes shaped by the ‘prevailing ideational and discursive context’ which ‘generally privileges pre-existing ideas and discourses’ (Hall, 2011, p.125). Whilst competing traditions can change the predominant over time any amendment has to form within the context of those institutions already underpinned by the dominant BPT.

Hall, Marsh and Vines (2018, p.379) claim that whilst it is necessary to be sensitive to the possibility of ideational challenges to the BPT, there is currently no substantive to suggest that any such change has categorically arisen. This is because the BPT continues to play a crucial role in informing the responses of the political elites to such challenges. That being said, however, they do also argue that it has ‘never been more vulnerable’, citing Britain’s exit from the European Union, the issue of Scottish independence and the rise of ‘anti-politics’ as evidence of this (Hall, Marsh and Vines, 2018, p.365). Hall specifically calls for further research to be undertaken in this area (Hall, 2011). This is the lacuna identified within the critical wave of the BPT literature; the untested possibility of the challenge of competing traditions.

With SE so well placed to mount a significant challenge to the dominant traditions in the UK, it offered an interesting case study through which to consider this issue of competing traditions. Each successive government promoted SE’s ability to autonomously deliver public goods and appeared to champion the devolution of power
from the centre to these new quasi-charitable/private organisations. If any phenomenon had signalled a challenge to the singular dominance of the BPT in the UK, SE could be it.

What this research has shown, however, is that in this case study of the development of SE in the UK, no evidence has emerged to suggest that the actors and institutions involved in the policy process were influenced by any traditions other than those emanating from the BPT itself. The thesis set out how each successive government sought to shape the emergence of the sector, discussed it in terms of how it was best suited to serve centrally determined aims, cultivated networks supportive of their agenda and resorted to hierarchical forms of governance when they encountered resistance.

The case of SE shows that even when the British government is rhetorically committed to greater devolution to non-state actors, when it comes to it, it remains resistant to giving away power. Notions of strong, centralised and efficient government (Marsh and Hall, 2007, p.22) inform the way actors at the centre perceive power relations with SE. As far as the case of SE is concerned, the BPT remained the singular dominant tradition which shaped its development in the UK.

9.4.3 - The Governance and Policy Networks Literature

The final body of literature this thesis contributes to is the governance and policy networks literature.

The study of governance draws attention to the complex interrelations between state and society in modern political systems (Flinders, 2002, p.52). Until the mid-1970s, the concentration of power in Whitehall was relatively unchallenged and normatively accepted as the ‘appropriate, legitimate and unchallenged vehicle for social change.’ (Pierre and Peters, 2000, p.2). The Westminster model dominated conceptions of policy making in the UK and advanced notions of strong, centralised and accountable government.
The rise of the governance perspective, in more recent years, has increasingly called into question the veracity of this description of British politics with focus turning instead to the interactions between a multitude of actors and locations in which policy making now takes place (Richards and Smith, 2002, p.13).

The literature, explored in detail in Chapter Three, can be divided into two main waves (Matthews, 2013). The first argues that the governance turn has signalled a shift towards greater neo-pluralism and society-centric forms of power where multiple and diverse actors, operating within autonomous policy networks, are capable of shaping the policy agenda independently of the core executive. These authors declare an era of governance without government (Rosenau and Czempiel, 1992; see also Rhodes, 1997).

The second wave counters these claims arguing that the state has not lost its capacity and remains the principal actor in the British political system (an elite conception of power); this is further split into two state-centric approaches. The first (APM) argues that structured inequalities disrupt the playing field in British politics. It argues that a lack of resources for non-state actors leaves them at a disadvantage when compared with the core executive (Marsh, Richards and Smith, 2003, p.311). The APM rejects notions of a hollowed out state and proposes instead that complexities arising from a more fragmented polity can be capitalised on by governments who are able to maintain and extend their reach by utilising their resource advantages over other actors within the policy making process (Marsh, Richards and Smith, 2001, p.250).

The second, state-centric relational perspective, agrees that states continue to retain a primary role within networks but goes further by adding that governance through hierarchical means remains ‘alive and well’ (Bell and Hindmoor, 2009, p.10). Even where governments ‘choose’ to govern through non-hierarchical means, the state-centric relational approach argues that they retain oversight and responsibility for meta-governance or the ‘government of governance’ (Bell and Hindmoor, 2009, p.11).

The findings set out in this thesis add to this literature by revealing new data which supports the claims made by these state-centric accounts. This thesis has demonstrated the willingness of government to resort to hierarchical power when SEs have resisted
direction. It has shown that non-state actors have not usurped the authority of the executive to determine policy but have succumbed to the will of government which shapes and constrains the development of SE as it sees fit. They have shown that the autonomy of the centre has not been eroded by increasingly independent policy networks but has controlled these networks.

The findings do not support society-centric theories of the supposed fragmentation of the British polity and the confounding of centralised power. They do not support theories which suggest that Whitehall and the executive have been replaced as the ‘fulcrum’ of policy networks (Rhodes, 2012) and they do not demonstrate that the ability of the state to produce and steer policy outcomes via hierarchic methods has been superseded by autonomous networks (Rhodes, 1997, p.59).

This thesis argues, contrary to Rhodes (1997, 2012), Smith (1998), Jessop (1995), Peters (1993) and Weller (1997), that in the case of SE in the UK, power has not been eroded from the core executive and the state has not been hollowed-out. Rather through the continued recourse to hierarchical governance, the meta-governance of networks and the resource advantage of the centre; Whitehall has remained the dominant force in policy making in Britain. The core executive continues to dominate the policy making process and remains the fulcrum of any network it permits. An era of governance without government is not evidenced by the findings of this thesis. Rather, the executive continues to command, control and coordinate and, in the case of SE, has shaped its emergence and development from the outset.

9.5 - Limitations

This thesis has been subject to epistemological and practical limitations which have impacted on the contributions it has been able to make.

The first of these is practical and relates to methodological limitations. As is the case for many theses, unavoidable time and resource restrictions meant that it was not possible to access all of the desired sources able to inform the empirical findings of the thesis, as discussed in Chapter Four.
The thesis was also subject to epistemological limitations. Critical realism proposes that whilst it is possible to make generalisations resulting from research any such generalisations should be restricted to phenomena occurring within a broadly similar context.

Whilst the findings of this research are specific to the development of SE in the UK between 1997 and 2015 it is able to speak to a broader phenomenon of the state’s relationship with third sector, non-governmental, providers of public goods.

Any extensions made to these claims, however, should be done with caution. This is because each specific phenomenon occurs within its own unique context and whilst these may: ‘share similar properties’ each is ‘over-laden by unique histories and evolved practices’ and as such, ‘universality is highly problematic’. Critical realists infer from their findings, limited applicability outside of the specific phenomenon being studied (Kempster and Parry, 2011, p.117). This imposes a necessary limitation on the claims which can be made from the research conducted for this thesis.

9.6 - Contributions to Future Research

This thesis has set out a clear account of the emergence of SE in the UK from 1997 to 2015. It offers an original contribution to knowledge and lays a foundation on which future studies can build. The story of SEs emergence is unlikely to have ended with the departure of the Coalition government and further research could look at contemporary developments under the Cameron and May-led governments, to see if a potential crisis of the state and mistrust in the efficiency and effectiveness of the centre has led to a shift in attitude toward non-governmental provision of public goods.

At the outset of this thesis, SE appeared to be well placed to challenge the hegemony of the BPT and presented a unique case study through which to consider whether significant change had occurred. The research conducted has revealed that this did not transpire.

During the course of the writing of this thesis, however, the tectonic plates of British politics have been rapidly shifting. A possible crisis of the state, the fragmentation of
the union of the United Kingdom, the prevalence of hung parliaments, the decline in trust of the core executive and the stagnation of a government seemingly overwhelmed by administering Britain’s exit from the EU, may culminate in the collapse of the BPT. Of course, claims of bringing sovereignty back may actually lead to the re-enforcement of the BPT (Richards, Diamond and Wager, 2019). Any future work that wishes to seriously engage with the veracity of the BPT and its mantra of strong, centralised and efficient government will have to investigate these matters.

This thesis, through its case study of SE from 1997 to 2015 has revealed that successive governments, of different political persuasions, pledged to devolve autonomy to the SE sector, to design and deliver public goods. Despite these commitments, each acted to shape and constrain its development in the UK, to enable it to deliver on centrally determined policy priorities. Despite the inclusion of SE in policy networks across government, the sector’s emergence did not fundamentally change the relationships that existed in the Whitehall system, where the centre was shown to have remained at the fulcrum of the network. The emergence of SE did not result in a challenge or change to the dominant traditions which shape the institutions and processes of the British political system. Rather it continued to dominate the way actors conceived of the power relationship between SE and the core executive which, in turn, prompted the continuation of hierarchical forms of governance.
Appendix 1: Semi structured questionnaire for elite interviews

Context: Post-war dominance of the Westminster model and power centralised in strong executive. SE, arising in 97 coincided with spread of multi-level service delivery and governance. Has SE marked change in the way services are delivered that has seen a devolving of power to these non-state/ civil society actors/ orgs (as the rhetoric from 97-15 would suggest or has the status quo prevailed?)

1. How was SE thought of under NL/ Coalition

   I. What does SE mean to you?
   II. What did SE mean to the government/ DTI/OTS/OCS?
   III. What were the key policies/ approaches to SE that you think made up the government/ department’s approach to SE?
   IV. What were the main drivers / priorities behind the government/ department’s interest in engaging with SE? (What did the government want to achieve in relation to SE?)
   V. Where was the impetus to engage with SE coming from?
   VI. Was there any internal resistance to the SE agenda? If so where do you think this was coming from?
   VII. Where would you say support for SE ranked in the departments/ government’s priorities?
   VIII. How did conceptions of SE fit with the broader 3W/ BS approaches?

2. How was SE developed/ supported by each government? (was there a gap between rhetoric and reality?)

   I. What arrangements were in place to consult stakeholders?
   II. Who were the main stake-holder groups being consulted by the government/ department?
   III. What kind of relationship did the department have with these stakeholder groups?
   IV. Where did the real decision making in relation to SE policy take place in the department?
   V. SE was outwardly championed by NL/ Coalition (examples available) as a means to devolve power to front-line actors in service delivery; to what extent do you feel these stated aims reflected the government/ department’s approach to SE in practice?
   VI. Thinking about specific policy areas relating to SE what would you say the department focussed on most in your experience?

3. Impacts on the development of SE policy (what caused the gap, why did the government’s approach to SE not live up to expectations?)

   I. SE was described as offering a radical new way to deliver public services designed and operated by autonomous civil society organisations on the front line. How do you think SE has lived up to these expectations in practice?
   II. Do you feel the government/ department achieved what it set out to achieve in relation to SE?
III. Do you think a gap existed between rhetoric and reality when it came to the Government’s commitments to SE, and if so why? Despite extended rhetoric surrounding the support of SE development in the UK, growth in the number of SEs operating (and especially those delivering public sector contracts) remains modest (figures available).

IV. Do you think there were any marked differences between the government’s approach to SEs during your tenure and that of the preceding/ succeeding government?

4. Is there anything else you think I should know/ anyone else you think I should speak to?

Documents and Press Releases Published During the Blair Premiership (1997- 2007)

<table>
<thead>
<tr>
<th>Date</th>
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| 09/10/01 | Social Enterprise Unit Launched                                       | http://webarchive.nationalarchives.gov.uk/2005030200401
http://sbs.gov.uk/socialenterprise/about-senu.php |
| 23/07/02 | Social Enterprise: A Strategy for Success                            | http://webarchive.nationalarchives.gov.uk/2002121003470
http://www2.dti.gov.uk/socialenterprise/index.htm |
| 09/02    | The Role of the Voluntary and Community Sector in Delivering a Cross Cutting Review | http://webarchive.nationalarchives.gov.uk/2013012911040
http://www.hm-treasury.gov.uk/d/CCRVolSect02.pdf |
| 02/03    | Collecting Data on Social Enterprise: a guide to good practice        | http://webarchive.nationalarchives.gov.uk/2005030200401
http://sbs.gov.uk/content/socialenterprise/socialenterprise.pdf |
| 05/03    | The Financing of Social Enterprises: a special report by the bank of England | http://webarchive.nationalarchives.gov.uk/2005030200401
http://sbs.gov.uk/socialenterprise/finance/makingthemarket.php |
| 06/03    | Social Enterprise: making the market                                  | http://webarchive.nationalarchives.gov.uk/2005030200401
http://sbs.gov.uk/content/socialenterprise/socialenterprise.pdf |
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<tr>
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<tr>
<td>07/03</td>
<td>Guidance on Mapping Social Enterprise</td>
<td>In A progress report on Social Enterprise: a strategy for success p.10</td>
</tr>
<tr>
<td>32/07/03 ; 13/08/03 ; 03/09/03</td>
<td>Social Enterprise Access to Finance for Social Enterprise: three sets of minutes</td>
<td><a href="http://webarchive.nationalarchives.gov.uk/20050302004011/http://sbs.gov.uk/content/socialenterprise/access-to-finance-1.pdf">http://webarchive.nationalarchives.gov.uk/20050302004011/http://sbs.gov.uk/content/socialenterprise/access-to-finance-1.pdf</a></td>
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<td>10/03</td>
<td>Public Procurement Toolkit</td>
<td><a href="http://webarchive.nationalarchives.gov.uk/20050302004011/http://sbs.gov.uk/content/socialenterprise/procure_text.pdf">http://webarchive.nationalarchives.gov.uk/20050302004011/http://sbs.gov.uk/content/socialenterprise/procure_text.pdf</a></td>
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This report is part of a small series of documents on CICs all available to view at:
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<td>25/01/06</td>
<td>Social Enterprise Central to a Successful Economy</td>
<td><a href="http://webarchive.nationalarchives.gov.uk/2005030200401/1/http://dti.gov.uk/cics/">http://webarchive.nationalarchives.gov.uk/2005030200401/1/http://dti.gov.uk/cics/</a></td>
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<td>19/6/07</td>
<td>OTS gives £3m to SE Umbrella Orgs to be Used to Raise Awareness of Sector</td>
<td><a href="http://webarchive.nationalarchives.gov.uk/20070701082302/http://cabinetoffice.gov.uk/t">http://webarchive.nationalarchives.gov.uk/20070701082302/http://cabinetoffice.gov.uk/t</a></td>
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### Documents and Press Releases Published During the Brown Premiership (2007 – 2010)

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<td>13/08/08</td>
<td>Principles of Representation</td>
<td><a href="http://webarchive.nationalarchives.gov.uk/2008090603053">http://webarchive.nationalarchives.gov.uk/2008090603053</a></td>
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<td>20/08/08</td>
<td>RDAs to Measure SE Satisfaction</td>
<td><a href="http://webarchive.nationalarchives.gov.uk/2008090603053">http://webarchive.nationalarchives.gov.uk/2008090603053</a></td>
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<td>3/9/08</td>
<td>3 Year Funding to be the Norm for 3rd Sector</td>
<td><a href="http://webarchive.nationalarchives.gov.uk/2008090603053">http://webarchive.nationalarchives.gov.uk/2008090603053</a></td>
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<td>23/10/08</td>
<td>Third sector Research Centre</td>
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<td>9/12/08</td>
<td>Train to Gain</td>
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<td>15/12/08</td>
<td>Series of Documents Published Simultaneously Outlining Government</td>
<td><a href="http://webarchive.nationalarchives.gov.uk/2008123000125">http://webarchive.nationalarchives.gov.uk/2008123000125</a></td>
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<td>14/01/09</td>
<td>Cash Flow, Credit &amp; Investment Support Open to SEs</td>
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<td>5/2/09</td>
<td>Changes to Encourage Investment in SEs</td>
<td><a href="http://webarchive.nationalarchives.gov.uk/20080305120627">http://webarchive.nationalarchives.gov.uk/20080305120627</a></td>
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<td>Real Help for Volunteers, Charities and Social Enterprises</td>
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<td>Launch of Comprehensive Area Assessment and the Inclusion of 3rd Sector Indicators</td>
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Documents and Press Releases Published During the Cameron Premiership (2010 – 2015)

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<td>18/05/10</td>
<td>Building the Big Society by Cabinet Office</td>
<td><a href="https://www.gov.uk/government/publications/building-the-big-society">https://www.gov.uk/government/publications/building-the-big-society</a></td>
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<td>20/05/10</td>
<td>The Coalition: our programme for government</td>
<td><a href="https://www.gov.uk/government/publications/the-coalition-documentation">https://www.gov.uk/government/publications/the-coalition-documentation</a></td>
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<td>07/10</td>
<td>Vanguard Areas: one year on</td>
<td><a href="https://www.gov.uk/government/speeches/big-society-speech">https://www.gov.uk/government/speeches/big-society-speech</a></td>
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<td>14/10/10</td>
<td>Consultation on Supporting a Stronger Civil Society</td>
<td><a href="https://www.gov.uk/government/consultations/supporting-a-stronger-civil-society">https://www.gov.uk/government/consultations/supporting-a-stronger-civil-society</a></td>
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<td></td>
<td>Report “Building a Stronger Civil Society: a strategy for voluntary and community groups, charities and social enterprises” also at this link, the two documents were published simultaneously.</td>
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<td>Appendix 1</td>
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|        | Progress reports for 2012, 2013 and 2014 also available              | *More on progress reports at*  
| 25.7.11 | Investment and Contract Readiness Fund                               | See Cabinet Office Press release file                                                                                               |
more at  
https://www.gov.uk/government/news/innovation-in-giving- |
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<td>Reopening the SE Investment Fund</td>
<td><a href="https://www.gov.uk/government/publications/social-enterprise-investment-fund-to-reopen-for-applications">https://www.gov.uk/government/publications/social-enterprise-investment-fund-to-reopen-for-applications</a></td>
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<td>17/05/12 - 13/09/12</td>
<td>Cabinet Office Red Tape Challenge on Social Investment</td>
<td><a href="http://www.redtapechallenge.cabinetoffice.gov.uk/civil-society-social-investment/">http://www.redtapechallenge.cabinetoffice.gov.uk/civil-society-social-investment/</a></td>
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<td>Making it Easier for Civil Society to Work with the State</td>
<td><a href="https://www.gov.uk/government/publications/making-it-easier-for-civil-society-to-work-with-the-state">https://www.gov.uk/government/publications/making-it-easier-for-civil-society-to-work-with-the-state</a></td>
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<td>appendix 6</td>
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<td>There is a link here to the centre for social impact bonds which has some useful explanatory background info.</td>
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<tr>
<td>10/12/13</td>
<td>HM Treasury Consultation on Social Investment Tax Relief</td>
<td><a href="https://www.gov.uk/government/consultations/consultation-on-social-investment-tax-relief">https://www.gov.uk/government/consultations/consultation-on-social-investment-tax-relief</a></td>
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<tr>
<td>16/05/13</td>
<td>A Knowledge Box and a Template Legal Contract are Now Available from the Centre for Social Impact Bonds.</td>
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<td>04/02/16</td>
<td>Social Investment Awards</td>
<td><a href="https://www.gov.uk/government/news/nominations-open-for-social-investment-awards">https://www.gov.uk/government/news/nominations-open-for-social-investment-awards</a></td>
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Bibliography


CAMERON, D. 2010e. BBC Breakfast Interview on the Big Society.


