

The Big Society, Catholic Social Thought and the Politics of the Common Good.

This paper was delivered by Maurice (Lord) Glasman at the Von Hügel Institute Conference on 'Catholic Social Thought and the Big Society' held at St Edmund's College, Cambridge 25-26th June 2012.

The argument presented here, brutally summarised, is that everything that is wrong about the Big Society is right about Catholic Social Thought.

The distinctive combination of features that characterise Catholic Social Thought; the role of mediating institutions, the balance of power in corporate governance which is tied to a balance of interests, the distinction between productive and predatory capital, the importance of status and vocation in economic organisation, the recognition of the plurality of private property ownership and that centralisation goes on in the market as well the state are all absent from the Big Society discourse. Most particularly institutions, corporate bodies with a vocation and a balance of power within its governance which mediate the conflicting demand of the state and the market but also mediate against the relentless demands of the present by placing it as a moment between the past and the future which is itself embodied in decentralised democratic institutions which uphold a tradition. None of this is present in the Big Society which is exclusively voluntaristic and within which the market is ring fenced from any interference in the sovereign right of capital to act and decide on corporate strategy and the distribution of resources. The market is not understood as a sphere of power and interests that requires countervailing intermediate institutions with the same intensity as the state requires similar constraints. Tradition is abandoned.

Generosity is a complicated virtue, in both the academic and Christian tradition but it remains necessary. In the Bog Society's criticism of the method and outcomes of the centralised administrative state, of the welfare state, the consequences of dependency severed from desert or power and the consequent erosion of responsibility and mutual relationships there is a common position between it and Catholic Social Thought. The rhetoric of a 'faceless bureaucracy' and the internal benefits that come from 'mucking in' does suggest that there was a lack of love in the system and in people's lives and this is a shared point. A stress on locality and decentralisation are also common themes. A desire to see power and responsibility moved closer to the people is a theme in Catholic Social Thought that is echoed in the big society. I think I am being generous here but still essentially truthful.

Jesse Norman has done a serious job in giving a philosophical defence of the Big Society and does root it in an Aristotelian tradition of the good and a critique of utilitarianism but it is in the methodology of the social sciences that the Big Society is perhaps, most innovative for if there was one assumption that united

all forms of progressive social science, from economic liberalism to Marxism, it was that modernity was defined by the emergence of the market and the state as the two dominant systems in modern society. Economic and administrative rationality were the iron cage within which modernisation would develop. Whether this was welcomed or lamented it was the direction of travel for everyone. The political conflict was over the balance between state and market and there were extreme variations in different combinations throughout the twentieth century.

Karl Polanyi captured this in *The Great Transformation* when he noted the link between the growth of state and market power as complementary and mutually enforcing institutional systems. He was unusual in exploring this aspect, for it was generally considered that while the two were necessary and dominant, there was a conflict between them and it was zero sum. The more state, the less market, and vice versa.

New Labour and the Big Society

The Big Society emerged as an alternative to the social anthropology of New Labour and a critique of its practices and consequences. In order to capture the energy and hope of the Big Society it is perhaps best to start here. If New Labour can claim a uniqueness in the history of political thought, it is that it did not see a contradiction between both a more powerful state and a more powerful market. Labour did tax and redistribute and it did so in a financial boom in which financial markets were the engine of growth within the general framework of economic globalisation. Public/private partnerships were a definitive aspect of Labour's approach to the relationship between capital and the state.

If the State becomes the ultimate source of collective power and the market that of individual liberty, it is not surprising that society, the sphere of reciprocity and association, finds itself impoverished and powerless. The institutions of society become increasingly dependent on the state and the market as self-funded dues-paying associations become weaker and are thus less capable of pursuing their own interests and values.

The language of fairness and justice, required of the state as the collective coercive power in a pluralist society, is hostile to historical patterns of association, especially if they violate fundamental principles of egalitarian justice as is the case of the Priesthood in the Catholic Church and its public position on same sex marriage. The priority of the right over the good has serious consequences for the status of institutions in the body politic.

The New Labour government's commitment to the generation of virtuous citizens is not to be underestimated. It wished to create skilful, loyal, flexible, literate, healthy and maturely parental citizens; open, loving and patriotic. However it was obliged to do so by administrative means as the rights were exercised within a framework of individual capacities and responsibilities. The

relationality of social life, the reciprocity that underpins stable long term relationships that generate life and productivity were troublesome to procedural justice and market regulation. The mediating role of institutions was difficult to conceptualise within such a paradigm. The solidarity necessary to resist market distributions and the relational power embodied in associations and institutions was undermined by the type of public policy pursued which prized fairness, equality and individual capabilities as the primary goods within the general framework of justice as fairness.

As people pursued their careers and received benefits, as the public and private sectors became the dominant employers, the 'third sector' found itself entirely dependent on both and society was as besieged as it ever was. The joint demands of justice and efficiency exerted pressure to homogenise procedure, eliminate particularity and equalise experience.

The New Labour model itself came under strain in terms of its political rationality. Teenage pregnancy, obesity, class disadvantage, inequality, anti-social behaviour and a lack of social mobility all proved far more durable than anticipated. New Labour's time in power did not bring about a transformation in the 'life chances' of the poor. It is with the financial crash of 2008, however, that the model came under a fiscal pressure that intensified the general perception of policy failure. The State bailed out the financial sector to an extent and to a scale that was entirely inconceivable in the real economy. The relationship between the City of London and the New Labour Government was a decisive one, and it turned out to be fateful. The fall in predicted tax revenue and growth generated by the credit crunch was exacerbated by the cost generated by the bailout and quantitative easing. Politics came full cycle back to the 'crisis of the welfare state' within which Thatcherism made its decisive intervention.

It is in this context of policy failure, financial constraints and political disenchantment with state driven social democracy that the Big Society makes its appearance as a political concept. It was first used by David Cameron in his Hugo Young Lecture of November 10th, 2009. The language used to describe it in the general election campaign and since has been militantly socialist in form. An image of a clenched fist and the slogan 'power to the people' was used in the manifesto launch. The Conservatives have spoken of a 'revolution' and the 'most radical redistribution of power from state to citizen in living memory'. It is no surprise it failed to catch on. The Labour Tradition has learnt from experience that such language doesn't resonate. David Cameron made the distinction between state and society a central feature of his leadership campaign and it has characterised each of his political initiatives that led up to the Big Society idea. It is the distinctive political concept that distinguishes his brand of Liberal Conservatism from both Thatcherism and Labour and defines the social and welfare orientation of the Coalition government.

There seem to be four components to the Big Society. The first is a stress on volunteering, civic responsibility and an active sense of community. The second

is support for social entrepreneurs, people whose work is to strengthen society. Funds have been made available from dormant bank accounts to support this, or at least make up for the shortfall created by cuts in other areas. The third element is a strong stress on the mutualisation of public services, particularly to providers. The assumption behind this is that a more locally controlled system with more immediate incentives to good practice would be more receptive to local needs. The fourth element is a radical localism in terms of civic government, with Liverpool being the pioneer of a significant increase in civic autonomy. This is combined with a plan to train 5000 community activists in the forgotten arts of organisation and leadership.

In giving local workers or users ownership of welfare provision the Big Society re-embeds welfare in society. In asserting the importance of active citizenship, and linking that to the achievement of local power and control there is a genuine promise of democratic renewal and some kind of active civic life. By emphasising mutualism it moved the stress away from strict egalitarian procedure to active participation.

Much of this addresses directly the failure of New Labour to engage people in their services, to give them a sense of ownership and is a response to a managerialism that often showed contempt for its staff and users. Individual complaint procedures did not provide a source of democratic accountability. The improvement in the lives of the poor did not lead to a transformation in educational achievement. New Labour did not redistribute power or responsibility and the Big Society has responded to that.

It is, therefore, important that the Big Society is not dismissed as trivial. It addresses important issues relating to the redistribution of power and democracy and provides a basis for public sector reform that is linked to greater employee ownership and a diversity of provision. It is, in this sense only, consciously political in that it seeks to provoke a reaction of Statism among its opponents thus stifling their capacity to address New Labour's weaknesses in office and renewing Labour's approach to public policy. For this reason I would like the Big Society concept to be more robust.

By claiming that politics and civic life is a good in itself and not subordinate to the ends of equality, liberty, or even fairness, but about a common life you build with others around you, the discourse of the Big Society engages with all that is best in Burkean Conservatism concerning the small platoons and local solidarity. It does this while claiming all that is best in the Labour tradition concerning co-operatives, mutuals and solidarity. By stressing meaning over ends it facilitates both a flexibility of approach and a richness of language that procedural Rawlsian public policy is incapable of speaking for fear of violating the neutrality constraint.

I have now reached the limits of my generosity and think that I am exaggerating the virtues of the Big Society.

Catholic Social Thought

There is no more reasonable tradition from which to begin an analysis of the strengths and weaknesses of the Big Society and no more fertile terrain out of which to begin to fashion a politics of the common good than Catholic Social Thought. It provides durable materials, appropriate practices and profound insights in a synthesis that can challenge and defeat the combination of economic and political liberalism that has subordinated diversity to homogeneity, institutional mediation to individualised care packages, vocational training to transferrable skills and neglected entirely the conditions necessary for flourishing markets and democracy. Above all it offers a system that challenges the debt and demoralisation that are the twin characteristics of the prevailing economy. It preserves and renews an approach which places institutions and tradition as necessary aspects of modern life and combines this with a robust and subtle conception of vocation, virtue and value which are the missing practices in our economy and state. In articulating the necessity of a balance of power between interests within institutions which pursue internal goods it offers the possibility of a common good which is not an aggregate of prevailing interests, or a median point between conflicting views, but a negotiated ethical position that is built upon institutions, interests and practices in which the balance between tension and co-operation is always alive. It is redemptive but anti-utopian in that it views relationship, tradition and vocation as constitutive of a meaningful life but does not posit a world in which negotiation and tensions between interests have been overcome.

The fundamental insight is that while both a market economy based upon private property and price setting markets, and a State, based upon the rule of law and its enforcement, are both seen as necessary and a condition of justice and prosperity, they are also seen as a profound threat to a fulfilled human life and as sources of power that can dominate people. The tragic paradox of Catholic Social thought is that while there is no alternative to capitalism, capitalism is no alternative. Also, while there is no alternative to the state, statism is no alternative for it is also, potentially, a collectivist instrument of oppression that can overrule and subordinate traditional institutions that uphold a non pecuniary good. The double paradox was resolved by a commitment to the strengthening of that which all forms of progressive social science insisted was doomed, namely society. Society, through the development of institutions built around the preservation and nurturing of status, solidarity and subsidiarity, of reciprocity and responsibility, could mediate the logic of both state and market which was to subordinate all self-organised societal institutions to their mutual sovereignty. Democratic decentralisation played a constitutive role in the formation of Christian Democracy as political movement. This is a radically different idea to that of the Big Society and is, in fact, far more constitutive of the Labour Tradition.

It was the threat to the possibility of a moral personality, of the dignity of the individual that led to the politics of the common good that would distinguish

catholic social thought, and the threat came from both capitalism and statism. The threat can be summarised as commodification in terms of capitalism, and collectivisation in terms of the state. Commodification, refers to the process through which something that is not produced for sale in the market, human beings and nature for example, a body or a forest, are turned into tradable commodities with a price. The logic of capitalism is to achieve the highest possible rate of return on investment which asserts a relentless pressure to create commodity markets in labour and land. In the 1830's in Britain vocational status and customary practice were subordinated to freehold title and clearing markets in the economy. Vocational traditions upheld by institutions and land holdings held by custom were viewed as an impediment to justice and efficiency. They were abolished in an alliance between the state and the market that imposed, the dispossession of enclosures and the exploitation of industrialisation. The understanding of the way in which capital has a tendency to centralise ownership is well understood within the tradition and was institutionally mediated by the generation of local banks bound by trust to region or sector.

The State, through the demand of impartial administration also generates an imperative to homogenise procedure and undermine relationships through its collectivist logic. The State can destroy those institutions of the body politic that allow reciprocity and responsibility to be strengthened if it is the exclusive instrument of delivery.

Catholic Social Thought, in other words argued that those things held to be impossible under conditions of modernity, a sense of place and of human scale institutions that was pursued through subsidiarity, a continued emphasis on vocation and vocational education and the pursuit of a balance of interests on the boards of companies and welfare institutions preserved a sense of status that interfered with the prerogatives of capital and its managers from the point of view of classical economic theory and class consciousness for Marxists. A common good underpinned by a diverse range of decentralised democratic institutions embedded in the economy was the distinctive Catholic response to the twin perils of the state and the market, commodification and collectivisation. This was summarised under the heading of solidarity in which a common good was forged through common institutions that were diverse and decentralised in form.

It was Lamennais, a Catholic intellectual and activist who founded the journal *Avenir* in Paris in the 1830's and not Marx who first coined the phrase 'proletariat' to refer to a class without status, assets or power and asserted the importance of mediating institutions that could preserve a sense of honour, skill and belonging in a dehumanised world, which was also a disenchanting, secular and rationalised world. Further, and most importantly of all, Catholic Social Thought remained faithful to a theory of labour value, labour understood in terms of experience, skill and expertise, rather than simply physical energy and time that was held to be anachronistic and antithetical to the division of labour

and managerial rationalism. Catholic Social Theory wagered everything on the relevance and strengthening of that which was held to be rationally impossible and it won. Further, its victory belongs to reason. Both state and market were held to be necessary and wicked, capable of exploitation and oppression as well as justice and prosperity, and in that tension Catholic Social Thought has generated a unique gift to the modern world; a balanced view. There is not only a distinction to be made between society and the state, but also between society and the market economy, and most importantly, finance capital. It is impossible as well as wrong to have two contradictory systems, one based upon unmediated collectivism and the other upon unfettered individualism. Catholic Social Thought, through the idea of mediation and subsidiarity represents interests through democratic institutions in the economy and the welfare system thus giving substance to the notion of society, making it not only bigger but more robust and less open to being preyed upon by the state and the market and their mutual desire for unfettered efficiency through the exclusion of institutions.

The re-introduction of institutional mediation is the task of a contemporary statecraft that seeks to generate a common good. The combination of finance capital and public administration, the market and the state, the public-private partnership, which have been the dominant drivers of employment and growth over the past 30 years have not generated very much energy or goodness. Of the 1.3 trillion pounds lent by banks in the British economy between 1997 and 2007, 84% was in mortgages and financial services. The practical predicament we confront is that in the combination of household debt and those held by our financial institutions we are indeed a world leader and this comparative advantage has been building for a long time. Private indebtedness was the most recent method by which we borrowed against our future to serve the present and it has reached its limit.

The theoretical predicament is that on their own, neither a Keynesian nor a neo-classical approach has the conceptual means of understanding the importance of institutions; of vocation, virtue and value in generating competitive advantage, reciprocity as the foundation of good practice and the importance of long term relationships between capital, labour and place in generating growth and innovation. Catholic Social Thought gives us both a plausible explanation of crisis and a genuine alternative that can guide action.

The assumption that globalisation required transferrable skills and not vocational speciality, that tradition and local practice were to be superseded by rationalised administration and production was mistaken. The denuding of the country and its people of their institutional and productive inheritance by the higher rates of returns found in the City of London, and then the vulnerability of those gains to speculative loss, is the story we confronted in 2008. Further, the practice of relationships, reciprocity and responsibility were not present. The money managers of the financial sector functioned, within the corporate governance of firms, without oversight or accountability. Organised interests within the speciality and expertise of the firm are a far stronger basis for

accountability than accountants and absentee and disorganised share holders. For the Catholic anthropology that underpins the theory we are fallen and capable of both sin and grace and the balance between them is given by human relationships and human scale institutions within which a balance of power prevails, where the individual proclivity to cheat and lie is tempered by an interest in long term stable relationships based upon trust, mutual interest and oversight. Redemption is not a unilateral exercise but is, of necessity, relational. The Corporation, corporatism, the body politic that animates the discussion of association within the tradition is not dominated by the mind alone but made up of various parts, dependent but undominated. In *Rerum Novarum* this is captured by the idea of one hand washing the other, of the conflict and co-operation required for the common good, between organised interests within common institutions. There can be no account of the crisis of capitalism that does not refer to the failure of corporate governance within the financial sector, the lack of virtue and value present within it, the excessive self regard and the perversity of its incentive structure that allowed the money managers to function outside of all constraint so that risk taking became a synonym for recklessness and innovation a toxic cocktail of greed and deceit.

The answer is not new and better forms of regulation but a reconstitution of corporate governance based upon a balance of interest in which there are incentives to virtue that can engage with the organisation of interests and the priority of long term stable faithful relationships in the economy rather than the faithless promiscuity that is the inevitable outcome of undomesticated capitalism. Perhaps the most startling conclusion that Catholic Social thought leads us to is that having pursued bad for three hundred years as a means of achieving good, it might not be such a bad idea to pursue the good more directly.

The Politics of the Common Good

It turns out, fortunately, and from the point of view of liberal economics, paradoxically, that the German political economy, with its federal republic and subsidiarity, with its works councils and co-determination between capital and labour, with its regional and local banks and vocational control of labour market entry, with its distinctive stress on place, a democracy locational and vocational; was much better equipped to deal with globalisation than we were with our financial services and transferrable skills. They generated value, they pursued a common good between capital and labour and sustained regional diversity as part of that common good. They retained pre-modern artisan organisations and turned them into the foundation of their contemporary economic success. They entangled and constrained capital in a myriad form of localised arrangements and they emerge from the crash, virtually alone, with a productive economy and a functioning democracy, with greater equality and more meaningful work. They have retained ideas of status that we discarded in favour of flexible labour markets and yet they proved better at adapting to the change in circumstances generated by new technology and financial innovations. They asserted that globalisation was not a fate that required a single response.

An Aristotelian conception of internal goods, of internal negotiation and co-operation, of a balance of interests within a corporation and not an exclusive assertion of external ownership and unilateral managerial prerogative characterised a system built upon strong self-organised democratic institutions within the economy, as well as political representation.

It will come as no surprise to you that it comes down to Labour in the end. The important and original work by Bishop Von Ketteler in Mainz in the 1860's and then developed by Pope Leo XIII in *Rerum Novarum* in 1891 and developed so profoundly since then was the link established between the Catholic theory of the person, of personality and the institutional arrangements required for the development of the reciprocal development of personality and association organised around the idea that work is transformative of both nature and self. "By your sweat shall ye live" is our fallen fate. The priority of the value of labour over capital is central to this thesis. In *Laborem Exercens* Pope John-Paul II wrote

'Man is a person, that is to say a subjective being capable of acting in a planned and rational way, capable of deciding about himself and with a tendency to self-realisation. As a person man is the subject of work ... these act to realise his humanity, to fulfil a calling to be a person that is his by reason of his humanity ... Labour is a primary efficient cause, while capital, the whole collection of means of production, remains a mere instrument or instrumental cause'.

It will also come as no surprise that I argue that the distinction between predatory and productive capital is central to the position. This has two fundamental components. The first is to assert the ethical rejection of usury, the use of money to prey upon the vulnerability of the poor. This can only be understood if money is conceived as a power. In *London Citizens* we used to talk about Living Wage and an interest rate cap of 20% as the floor and the ceiling of the common house. Earning enough to feed your family and limiting the damage of debt is central to preserving a human order. Faith and citizenship are mutual traditions and not, ultimately, antagonistic. Living wage and an interest rate are examples of the state laying down a simple limit, not of regulation but of balance. The second component is to recognise, following the crash, that unconstrained financial capital does not lead to efficiency or growth but severed from practices that tie it to relationships and place generates a volatile nihilism that leads us to where we are, isolated, powerless and disappointed, abandoned without vocation and value before the demands of an unrepayable debt.

The lack of appreciation of the impact of deregulated markets on stable patterns of association, family life and traditions is one that goes back to Burke and has not been resolved through the Big Society. It is hard to engage in public life if you have to work two jobs because you are not paid enough to live. There seems to be no conceptual means for understanding the inequality of power within the market itself. In terms of its political economy the Big Society is nowhere.

The same critique applies to the Big Society in terms of welfare reform. A move needs to be made from a dualistic structure, of public and private towards a Trinitarian structure. Any public institution is made up of three components, funders, users and workers. The state has interests, in justice and avoiding corruption, in the pursuit of wider and integrated forms of social policy but it should not be dominant and should have a third of the seats of the board on any public institution. Similarly, the workforce are a necessary aspect of the good of an institution and necessary for effective delivery. The workforce should, therefore have a third of the seats on the board that decides strategy and delivery. Similarly, users need responsibility and power in the delivery of service and not be passive recipients but actively structure the content of delivery. The domination of any single interest is to be avoided if we are to be faithful to the tradition. So, for example, I argue that Labour's response to Free Schools should not be to dismiss the power of parents in school governance but to bring that into relationship with teachers and funders in an institution that is committed to the common good. The same is true of hospitals and care homes. Relationships, reciprocity and responsibility are the key terms and are central to the Catholic Social Thought tradition as concerns the balance of power and interests in institutions. It is the role of historically proven self-governing institutions, such as Cambridge University, with its endowments, trusts, college system and chaplains and the Catholic Church with its myriad decentralised orders, churches and institutions that can resist the domination of the state and the market and, potentially, are allies in doing so. The Big Society, in other words, has no appreciation of institutions, of tradition, of the balance of power or the threat to community posed by the domination of finance capital. That is what I meant at the beginning when I said that everything that is wrong about the Big Society is right about Catholic Social Thought. It is not that the Big Society is wrong, it is simply inadequate and superficial.

It is central to the Catholic position that a common good is possible between interests and identities that are estranged and divided. Between capital and labour, the state and the workforce, immigrant and local, church and state, men and women, that a negotiated common good is possible and desirable. One of the most severe tests of such a thesis is whether a common good is possible between Cambridge University and the Catholic Church. That could be the most audacious fraternisation of them all. One of my reflections on my time in politics is that the policy and civil service elites are almost entirely dominated by PPE graduates from Oxford. This is not going well. It is absolutely vital that Cambridge University asserts its countervailing leadership role against the domination of abstract principles and a slightly overfed content establishment. It's colder here and our heart is slightly harder. It is important that Cambridge University asserts its traditional commitment to an historically informed understanding of institutions and politics that does not descend into a post modern Schmittian conception of power in which realism means that the bad guys always win and there is nothing you can do about it. The Catholic Church and Cambridge University are both great institutions in our nation, their

maintenance and co-operation are vital to a renewed politics of the common good and while I recognise their extreme historical antagonism, this is after all East Anglia and Cambridge University was the creator and custodian of Parliamentary Protestantism, it is essential that our ancient church and university play an enriched role in the pursuit of a good society which is characterised by the pursuit of the Common Good.

When we can no longer turn to the market or the state as an exclusive instrument of renewal we have no alternative but to look to each other, to the people we live and work with and to the institutions and traditions that have served us well. The Catholic Tradition and Cambridge University are two such traditions and institutions and in its neglect of the body politic, of a commonwealth and a common life, of the link between the political economy and welfare reform the big society may be a step in the right direction but also indicates how far we have still to go.

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