

Coalition changes towards the 'big society' given lukewarm response by SME's, survey shows

December 1 2010

Plans by the coalition government for new social enterprises and Local Enterprise Partnerships (LEPs) to help build the 'big society' have been given short shrift in online surveys of businesses and business advisers run by The University of Nottingham.

Respondents quizzed in the UK Business Barometer and UK Business Adviser Barometer surveys showed a general lack of enthusiasm over the Con-Dem plans to move away from services provided by the public sector towards more social enterprises — firms run for social or environmental gain rather than profit.

When asked whether social enterprises would thrive under the coalition government because they are well placed to pick up the 'big society' model, only 14 per cent of businesses and 18 per cent of business advisers believed they would be successful.

Similarly, questions on the formation of LEPs and the demise of the Regional Development Agencies were met with a negative response.

Local Chambers of Commerce and the Federation of Small Businesses are to play a central role in the formation of LEPs, key to Government objectives for economic growth. LEPs will also see an enhanced role for local authorities.

The ability of LEPs to promote the local economy could be in serious doubt, if responses to the surveys are anything to go by — more than half of businesses (57 per cent) and advisers (61 per cent) feel that LEPs will not succeed in promoting the local economy. In addition, only 24 per cent of advisers thought their situation would be improved as a result of the introduction of LEPs while one-quarter believed their prospects would remain unchanged.

The UK Business Barometer (UKBB) and its sister survey the UK Business Adviser Barometer (UKBAB), run quarterly by The University of Nottingham Institute for Enterprise and Innovation (UNIEI), aim to provide a snapshot of how small and medium-sized businesses are coping with the current state of the economy.

The latest survey also looked at the rise in the use of social networking sites and smartphones. Mary Meeker, Technology Analyst for Morgan Stanley, recently predicted that smart phones will be more numerous than PCs by 2012. Advocates of their use say they offer a unique opportunity to connect with customers instantly and at any time and around half of [respondents](#) to both surveys agreed they would become vital for business.

LinkedIn proved the social networking website of choice for business purposes — almost 37 per cent of firms and 38 per cent of business advisers make more than average use of the service.

Other questions posed included the issue of whether homeworking is becoming more important in this economic social climate — 74 per cent confirmed they had forsaken the office — and whether the VAT rise in January 2011 would see a rush in business by people hoping to avoid the increase — 61 per cent expected to see no changes in business activity.

Provided by University of Nottingham

Citation: Coalition changes towards the 'big society' given lukewarm response by SME's, survey shows (2010, December 1) retrieved 21 July 2024 from <https://phys.org/news/2010-12-coalition-big-society-lukewarm-response.html>

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