

National Coalition for Independent Action

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Voluntary action under threat: what privatisation means for charities and community groups

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1. Introduction

About NCIA

National Coalition for Independent Action (NCIA) is a network of individuals and organisations who give their time on either a paid or voluntary basis to the professionalised 'voluntary sector', the more informal 'community sector', and/or activism and campaigning.

People get involved with NCIA because they believe there is a need to unite to celebrate, support and defend independent voluntary and community activity. They see our ability to challenge and change the world about us as increasingly constrained. Unless confronted, this threat to independent action will undermine our civil society, our political health, and the capacity of communities to get what they need for themselves.

About this paper

This paper was written as a policy resource to help NCIA activists to analyse recent developments in our areas of work. It gathers together evidence and arguments about the role of commissioning, localism and 'big society' in the government's wider agenda: privatisation and the destruction of the welfare state and of voluntary and community activity as we know them.

Terminology

NCIA works with people employed by agencies which are sometimes called 'voluntary sector', a confusing term because it suggests services delivered by people for free, while in fact many are paid workers. Some of these agencies will be registered charities, but others, such as political campaigning organisations, may not meet the Charity Commission's definition of 'charitable purpose'.

The network also includes people doing paid or unpaid work in more informal community groups, as well as individual activists engaged with a geographical community, community of interest or social issue(s), who may not be associated with any group. Some of us are all of these things at different times. Parts of this paper may be more relevant to one type of activity than to another, but they are inter-connected, and the overall analysis is relevant to all.

The last government called activities which are not profit-making and are not the state the 'third sector'. The present government prefers the term 'civil society'. Many engaged in this field refer to the 'voluntary and community sector'. They may do this for ease of reference, understanding that in reality there is too much diversity in the size, nature and approach of organisations, groups and movements for the concept of a coherent single sector to be meaningful. In this document the terms 'charity', 'voluntary and community sector', 'organisation', 'group' etc. are interchanged, in awareness of the fact that they are all imprecise definitions. The term 'independent action' is used to mean things people do to change their world, in large or small ways, because they choose to, not because it will generate profit or because the government promotes it.

2. The policy background

Before May 2010, voluntary and community organisations were already finding it difficult to respond to increased need for their services because of the recession.¹ They are now also having to contend with billions of pounds of government funding cuts.

Many programmes which supported local voluntary action have disappeared or been reduced, including the Future Jobs Fund, Supporting People, Cohesion and Connecting Communities.² We are seeing the effects of cuts of a quarter or more in local authority funding to community groups and charities in every part of the country. Huntingdonshire District Council proposed in its February 11 draft budget an 84% cut to its funding of the voluntary and community sector.³ The National Association for Voluntary and Community Action (NAVCA) estimates that 26,000 jobs in the voluntary sector will be lost by September 2011.⁴

Some activities provided by charities and community organisations, such as social support for isolated people, youth projects and arts and culture, are the first to go in cuts because government sees them as non-essential. NCIA believes that these kinds of services are a key part of creating well-being for everyone. Research by the New Economics Foundation has found that '81% of Britons believe that the Government should prioritise creating the greatest happiness, not the greatest wealth'. NEF's five steps to wellbeing are connect, be active, keep learning, take notice and give.⁵

Cuts to public services are an ideological decision by the government, not a necessity. Economists including Nobel Prize winner Paul Krugman and former World Bank Chief Economist Joseph E Stiglitz have shown that cuts will be damaging to the growth of the economy.⁶ There are alternatives: the national debt at the end of the Second World War was larger than the current deficit as a proportion of GDP and took decades to pay back. Despite this debt the government built hundreds of thousands of new homes, set up the welfare state and created the NHS. The ideology behind the current cuts is a commitment to the reduction or complete removal of the universal and equal right to healthcare, welfare

¹ The CFDP/PWC survey 'Managing in a Downturn' (August 2010) found that '39% of charities have seen an increase in demand for their services as a result of the recession (62% of small charities, 22% of medium and 27% of large charities)...40% of respondents will cut back on services.' http://www.pwc.co.uk/pdf/charity_sector_midt_dec_08.pdf. Tony Chapman, Professor of Social Policy at Teesside University said: 'the speed at which cuts are to be made is likely to hit voluntary and community sector organisations particularly hard. Local authorities, government departments and quangos are eager to protect what they can of their core services. Inevitably they will scan the social market for soft targets.' ('Research reveals most vulnerable third sector groups' *Third Sector*, 15 October 2010 <http://www.thirdsector.co.uk/news/Article/1035313/Research-reveals-most-vulnerable-third-sector-groups/>)

² 'Can partnerships survive cuts in funding to the local voluntary sector?' NAVCA Address to West Sussex Conference in Worthing, 16 September 2010

³ For more details of cuts see www.falseeconomy.org.uk and www.guardian.co.uk/society/cutswatch

⁴ NAVCA's evidence to the 'Public Administration Select Committee Inquiry into Voluntary Sector Funding' February 2011.

⁵ New Economics Foundation Foresight project on Mental Capital and Wellbeing. <http://www.neweconomics.org/projects/five-ways-well-being>. See also 'Are you Happy?' New Economics Foundation, 2006 <http://www.neweconomics.org/publications/are-you-happy>

⁶ 'PCS on Privatisation' by John Medhurst and Enrico Tortolano, Public and Commercial Services Union, 2010. http://www.pcs.org.uk/en/news_and_events/facts-about-civil-and-public-services/the-truth-about-privatisation.cfm

benefits, education and other services. Access to these things will depend more on your ability to pay and income inequality in the UK will increase. This will create more economic instability: it was income inequality which caused the 1929 crash and depression.⁷

A pattern is already emerging which shows that the less privileged you are, the more the cuts will affect your life. The National Council for Voluntary Organisations (NCVO) has said: 'The impact will be felt more severely in deprived areas as the National Survey of Third Sector Organisations shows that voluntary and community organisations located in the most deprived areas are the ones most likely to be recipients of government funding.'⁸ Loss of support will be devastating for homeless people, refugees, disabled people, domestic violence sufferers, low-paid workers, people in debt and people in council housing.⁹ Employment conditions will worsen because of cuts and privatisation, but fewer people will have access to legal aid to challenge employers: the losers are workers, while employers are being sent the message that the recession can be used as an excuse to underpay and exploit staff.¹⁰ Benefit cuts will disproportionately affect women, encouraging them to stay at home rather than work.¹¹

Once the idea becomes accepted that certain services are no longer part of the core of the welfare state delivered by government, the idea that these services are rights which should be available to all also disappears. We are returning to an earlier time in British history, when social support was minimal and poor people relied on the charity of the rich where they could get it. We are also moving closer to what we see in less developed countries: a weak state, few safety nets for the vulnerable and great polarisation between the haves and the have-nots.

⁷ *The Great Crash 1929*, JK Galbraith, Penguin, 1954. 'The most extreme point for income inequality in the US in the 20th century was 1928, thanks to a financial boom that had handed great wealth to the rich with the funds to play the stock market' ('History Lessons' *The Independent*, 10 October 2008 <http://www.independent.co.uk/news/business/analysis-and-features/history-lessons-galbraiths-the-great-crash-1929-is-still-essential-reading-today-956710.html>)

⁸ 'The Big Society – the Evidence Base' NCVO, July 2010, page 11/20 http://www.ncvo-vol.org.uk/sites/default/files/The_Big_Society_-_the_evidence_base_0.pdf.

⁹ A *Local Government Chronicle* table of local authority winners and losers shows 'not only are councils in the most deprived parts of England (generally Labour run) going to be hit hardest and fastest by local government spending cuts, but that the largely Tory-run authorities in some of the very wealthiest parts of the country may even find themselves better off' ('The rich get richer while the poor get poorer' *The Guardian*, 25 November 2010 <http://www.guardian.co.uk/society/patrick-butler-cuts-blog/2010/nov/25/council-cuts-rich-get-richer>). Also see: 'Cuts to affect the poorest most' BBC online, 21 October 2010 <http://www.bbc.co.uk/news/business-11598234>, 'Spending review will increase child poverty' ('Response to the spending review' Child Poverty Action Group, 20 October 2010 <http://www.cpag.org.uk/press/2010/201010.htm>), 'Austerity measures could cost disabled Londoners 25% of their income' ('Spending cuts and evidence base report' Inclusion London, March 2011 <http://www.inclusionlondon.co.uk/all-in-this-together>), '25% of the cuts fall on the 3% most vulnerable population' ('Unfair cuts in detail' Centre for Welfare Reform, 2010)

¹⁰ 'PCS on Privatisation', as 6, 'Unsustainable: The impact of funding on the not for profit workforce' Unite, March 2009, 'Government Policy, Recession and the Voluntary Sector' Unison, November 2009

¹¹ 'A study by the House of Commons library on behalf of the shadow welfare secretary, Yvette Cooper, revealed that women will shoulder nearly three-quarters of the burden' ('Women will bear the brunt of budget cuts says Yvette Cooper' *The Guardian*, 4 July 2010), The TUC briefing 'The Gender Impact of the Cuts' (November 2010) cites research carried out by economists Howard Reed and Tim Horton which finds that lone parents, 90 per cent of whom are female, will be hit hardest by the spending cuts. Single female pensioners are next hardest hit. Also see research by the Women's Budget Group, www.wbg.org.uk

Peter Taylor-Gooby, Professor of Social Policy at the University of Kent, explains: 'This government has learnt the lesson of previous attempts to cut state spending: public expenditure bounces back. That's what happened after the Geddes axe in 1922, the 1931 National Government cuts, Callaghan in 1976, even Thatcher in the 1980s and Major in the 1990s. To achieve a permanent shift to a small-state, market-centred society, it's not enough to slash state spending for the life of one parliament. You have also to change fundamentally how the welfare state works, so that private capital and the market are embedded at the heart of public provision. This is what the NHS, local government, social care, social housing, university and all the other reforms are intended to achieve. The objective is simple: the destruction of the public realm.'¹²

The combined effects of the government's cuts and its 'localism' agenda (of which the idea of 'big society' is part) will be greatly reduced public and community services. Many taxpayers reject the ethos that society spending resources on caring for its members is an unaffordable luxury. They would prefer their taxes to be spent on youth services than on expensive weaponry or bailing out failed banks, even if they do not use those particular services. They recognise that social and community provision helps all of us to be happier, more equal and more engaged.¹³

3. Commissioning: the destruction of the voluntary sector

What is commissioning?

'Commissioning' is used to mean the process whereby funders, usually statutory authorities, from local to European, pay for services from organisations (in the voluntary or private sectors), mostly through contracts with them. More and more voluntary sector activities that used to be funded through grants are now commissioned. For example, Birmingham Council announced at the beginning of 2010 that all of its youth services, which were previously grant funded, would move to commissioning.¹⁴

This is also called 'competitive tendering': voluntary sector organisations compete with each other and often also with the private sector to get the contract. For a local service, an organisation based in that community could be competing with a national or international organisation. With grant funding, the organisation can put forward a proposal to deliver a service based on need it has identified. With commissioning, the statutory authority decides what it wants the service to be and specifies resources available, outcomes expected and often, how the service or activity should be delivered. The most important consideration in comparing different possible providers for a commissioned service is usually cost. Everything is given a price, for example an organisation will have to state their 'unit cost' for rehabilitating an offender.

This process began in the 1980s, and was intended to make delivery of public services operate more like a market place. The transfer of local services in areas such as health, social welfare and employment to private sector providers during the new Labour years was a continuation of the privatisation begun under Thatcher. The distinctive New Labour

¹² Letter to *The Guardian*, 15 March 2011.

¹³ *The Spirit Level*, Richard Wilkinson and Kate Pickett, Penguin, 2010 and *Inequality*, Daniel Dorling, Policy Press 2010, give wide-ranging evidence of how countries with greater wealth distribution and fewer inequalities have a better standard of living for everyone in them, not just the poor

¹⁴ 'Fears grow over loss of grants' *Children and Young People Now*, 16 February 2010 (<http://www.cypnow.co.uk/inDepth/ByDiscipline/Youth-Work/983925/Fears-grow-loss-grants/>)

contribution was to replace the word 'privatisation' with 'contracting-out', 'out-sourcing', 'modernisation', even 'transformation'.

As part of this process, the voluntary sector was 'discovered' as an alternative to the private sector, often assumed to be cheaper and to be in closer touch with users or communities. In 2006-7, £4.2bn of statutory funding to the voluntary sector was received as grants, down from £4.6bn in 2000-01, whilst contract funding increased over the same period from £3.8bn to £7.8bn.¹⁵

Privatisation

Private business, especially multinational corporations, can exert huge influence over governments. If a government doesn't provide them with conditions conducive to profit-making, which can include tax breaks and lax enforcement of environmental or employment standards, businesses say they will move to a country which does.¹⁶ Corporations pay professional lobbyists to try to influence government decisions. Many MPs are tied into private sector interests through mechanisms like company directorships.

The coalition government's spending data for its first three months in office shows how much work is given to private business. Capita, a private firm which works for the government on many areas including managing educational pensions, received £3.3bn over the period, more than the Department of Energy and Climate Change receives in a year.¹⁷ This government wants to get business even more involved at all levels, including in social policy planning and decision making. MacDonalds and Pepsi sit on the new 'responsibility deal' network drawing up health policy on obesity. The alcohol responsibility deal network is chaired by the head of the lobby group the Wine and Spirit Trade Association.¹⁸ This is despite the fact that their commercial interests are often the opposite of what would be good for public health.

The government also intends to accelerate further the process of privatisation of public services through initiatives like the 'free schools' model and GP commissioning in the NHS.¹⁹ Its 'Open Public Services' White Paper expresses its vision for virtually all public services to be open to delivery by the voluntary and community sector and the private sector.²⁰

For many services, the market has been split up into large contracts for which only a certain number of 'prime contractors' are able to bid. They can then farm work out to smaller 'sub

¹⁵ 'The Third Sector Delivering Public Services: an Evidence Review' Third Sector Research Centre, July 2010
<http://www.tsrc.ac.uk/Research/ServiceDeliverySD/Publicservicesevidencereview/tabid/712/Default.aspx>

¹⁶ 'Freedom of movement by multinationals tends to penalise governments which seek to maintain standards of social welfare, environmental regulation or tax regimes [...], many of the measures which governments have used in the past to develop a coherent industrial policy for their country are no longer possible' (*Democracy: A Beginners Guide*, David Beetham, Oneworld Publications, 2005)

¹⁷ *The Guardian* government spending website: <http://www.guardian.co.uk/business/interactive/2009/sep/16/public-spending-larry-elliott>

¹⁸ 'MacDonalds and PepsiCo to help write UK health policy' *The Guardian*, 12 November 2010
<http://www.guardian.co.uk/politics/2010/nov/12/mcdonalds-pepsico-help-health-policy>

¹⁹ More about Free schools: <http://www.guardian.co.uk/education/free-schools>, <http://www.bbc.co.uk/news/10345302> and GP commissioning: <http://www.guardian.co.uk/society/2010/nov/18/mutual-decision-healthcare-end-nhs>, <http://www.pulsetoday.co.uk/story.asp?storycode=4127854>

²⁰ See http://www.hm-treasury.gov.uk/d/callforevidence_publicservicereform.pdf

contractors'. A March 2010 report to the Department for Work and Pensions Select Committee denounced the practices of some prime contractors nominating one another as their own subcontractors as 'a cartel'.²¹ Few charities are able to compete with private companies: most will be subcontractors. A National Audit Office evaluation of the employment scheme 'Pathways to Work' found that 'subcontractors were often denied service fees to cover vital core costs and were paid a quarter less per job on average than prime contractors.'²² One employment organisation told the London Voluntary Service Council: 'Some of our members...have even been asked to provide services free of charge as "they are charities after all."²³

The push towards privatisation of public services is not because this delivers the best service or the best value for money. Research has shown that a state-controlled NHS is the only way of delivering health care that is not based on ability to pay, and is also the most cost-effective way of doing so.²⁴ The TUC reports: 'The private sector has a record of failing to deliver quality and value for money in the NHS, perhaps most famously evidenced by the rise in hospital infections after compulsory competitive tendering led to the outsourcing of hospital cleaning in the 1980s...Research by economists at Imperial College shows that, following the introduction of competition in the NHS in the 1990s, under a system that allowed hospitals to negotiate prices, there was a fall in clinical quality.'²⁵ The policy is the result of the government's ideological commitment to market principles and of lobbying from companies which stand to gain.

The profit motive is not compatible with the delivery of services people need, such as health care or education, or with the delivery of initiatives people develop to improve their quality of life, such as art and culture or social support. Privatisation is not about delivering new or needed services but about making profit out of existing services, where they cannot be abolished entirely. Some voluntary sector organisations have helped to further this agenda by entering into competitions to deliver services on their local authority's terms. They fail to recognise that, although they themselves are not the private sector, they are still conspiring with a practice which turns community provision into a market place. As a result of taking on contracts, many of these organisations have surrendered their autonomy, sacrificed the authenticity of their relationships with their staff and their users and blunted their campaigning role.

Below we explain the ways in which commissioning damages charities, community groups and the people they work with.

²¹ Quoted in 'Big society? Big deal' *Red Pepper*, February 2011 <http://www.redpepper.org.uk/big-society-big-deal/>

²² *Red Pepper*, as 21

²³ Confidential feedback to LVSC, quoted in *Red Pepper*, as 21

²⁴ 'NHS fares best on free access to health care' Randeep Ramesh, *The Guardian*, 19 November 2010, 'The corporate grip on public life is a threat to democracy' Seamus Milne, *The Guardian*, 17 November 2010

²⁵ Letter to *The Times*, January 17th 2011, from the health unions the BMA, RCN, Unison, Unite, RCM and CSP, quoted at <http://www.touchstoneblog.org.uk/2011/01/nhs-reforms-%E2%80%9Cextremely-risky-and-potentially-disastrous%E2%80%9D/>



The market doesn't select the best service

Commissioners think about getting the service delivered at low risk and low cost. They often don't understand the context they're commissioning in and don't talk to the people working in the field. Research by the Greater Manchester Centre for Voluntary Organisations found that: 'Commissioners do not have good awareness of the voluntary sector market.'²⁶ If one bidder was cutting corners to save money to the point of being dangerous to people, it would not be the commissioner's job to pick up on it.

If real input from the people who know the service area does happen, this can improve the system. The report finds that where commissioning does occur based on an understanding of local needs, with costs calculated accurately so that the organisation delivering the service doesn't end up out of pocket, it is usually because this has been initiated by and fought for by local community and voluntary sector organisations.

'The Local State and Voluntary Action in West Sussex' by Adur Voluntary Action/NCIA, a qualitative research report into local commissioning, found that unless consideration of other factors is deliberately built in, the market model of selecting a service can be random, ignoring common sense, history and personal relationships which are important to the success of a service: 'Tendering specifications and processes have not placed a value on local experience, local focus or degree of 'embedded-ness' within local communities.'²⁷

Commissioning is people getting what the government says they should get, not the service they need

In the commissioning model, a service will only be funded if it fits the pre-determined priorities of the commissioners. Brand new or innovative work is too high risk for a market-based system and too hard to cost and evaluate. While grants supported the principle behind an organisation's existence, sometimes providing core funding for office and staffing without specifying particular activities, commissioning is project-specific. The loss of support for the broader philosophy of an organisation can mean the loss of its ability to respond flexibly to changing local need.

²⁶ 'Commissioning: Possible' GMCVO, November 2008

²⁷ 'The Local State and Voluntary Action in West Sussex' Adur Voluntary Action/NCIA 2010

<http://www.adurva.org/Downloads/West%20Sussex%20report%20-%20final.pdf>

The rigid monitoring of most commissioned services and the growing practice of 'payment by results' (meaning the organisation will get paid according to successes achieved, such as number of unemployed people put into jobs) doesn't allow for natural development. It discourages holistic or preventative services which have less clear or immediate outcomes. Long term thinking and planning are impossible because contracts are short, with no guarantee of renewal, and government priorities and funding systems are always changing.

The market damages organisations and the people working in them

Privatisation leads to cutting corners: the quality of services and the conditions for employees suffer as organisations have to be as cheap as possible to win the tender. 'Full cost recovery', the idea that voluntary sector organisations should claim back all of the real costs associated with delivering a service, to avoid ending up subsidising it themselves, was campaigned for by the sector in recent years and had gained some recognition from funders. It is now being seen as an unaffordable luxury. Jess Steele, of Locality, which won the government's contract to deliver its 'community organisers' programme, says of her organisation's bid:

'The tender process certainly pushed down on costs. There is no slack in our budgeting, in fact there is significant subsidy by the participating organisations. 'Full cost recovery' is an admirable ideal and we have been angry on behalf of our members that year after year they have subsidised public contracts. However, this is something different. People want to be involved in the programme for its own sake – because it offers something so special and important.'²⁸

In this way, charitable organisations delivering the government's work conspire in the government's under-valuing of their skills and the services they deliver. They give credence to the idea that if something is valued people will be prepared to do it for less or for nothing. The market can exploit this to reduce costs.

In the competitive tendering environment, charities which have a tradition of valuing their employees and offering them good terms and conditions might find themselves competing with other charities or private sector organisations which have reduced these entitlements to make their service cheaper. The outsourcing of services previously delivered by government agencies with a strong history of unionisation to protect employees is likely to reduce collective bargaining power, as departments are broken up into smaller units with differing terms and conditions and no automatic union recognition. People working for low wages are most commonly found in the private sector (followed by the voluntary sector, and most rarely in the state sector).²⁹ We are beginning to see attacks on the protections afforded to public sector workers when their jobs are contracted out. The Cabinet Office has abolished regulations that require charities taking over public services from councils to give new staff equivalent employment conditions to staff that have transferred from a local authority. Francis Maude, Minister for the Cabinet Office, justified this by saying 'we should not be making it more difficult for small businesses and voluntary organisations to succeed in the public service market.'³⁰ ACEVO, the grouping of charity chief executives, is pressing for

²⁸ From Jess Steele's blog: <http://jesssteele.wordpress.com/2011/02/27/community-organisers-programme-manager%E2%80%99s-blog/>

²⁹ 'Low Pay in the UK' Almond and Kendall, LSE, 2000, pg.45, quoted by Daniel Dorling (*Injustice*, Policy Press 2010, pg. 98)

³⁰ 'Cabinet office scraps two tier code on pay and conditions' *Third Sector*, 13 December 2010
<http://www.thirdsector.co.uk/news/archive/1046391/Cabinet-Office-scraps-two-tier-code-pay-conditions/?DCMP=ILC-SEARCH>

charities taking over public services to be able to strip transferring staff of their pension entitlements.³¹

The switching of contracts between providers means that staff can be moved between them, suffering insecurity and a loss of connection to their organisation and their work. The National Council for Voluntary Organisations (NCVO)'s 'Third Sector Foresight' project speaks of 'increasing expectations on voluntary sector organisations to function as high-performing private businesses',³² and anecdotal evidence tells of changes in management style and working practices that more closely align voluntary organisations with private sector approaches. We will see even more replacement of local walk-in services with regional call centres because these are cheaper and use short term and low-paid staff.³³

Commissioning threatens the independence of charities and community groups

Commissioning has been used as a means of extending statutory influence over activities which were historically located outside the statutory sector and supported by grants, if at all. Charities and community organisations have traditionally filled in the gaps in areas where it is not appropriate for the state to provide services because of conflicts of interest, such as advice, advocacy and campaigning, or which need specialist or local knowledge, such as user involvement projects led by communities.

A defining feature of voluntary sector organisations is their ability to act as an external point of pressure to hold the state and the market to account. The more they get drawn into delivering public services, and doing so in a way that involves business models, the less they will be able to question and comment on government policy and to act independently from it. The Baring Foundation's submission to the previous government's 'Inquiry on Commissioning Public Services from the Third Sector' said that commissioning forms 'a significant threat to the sector's independence'.³⁴

Organisations don't want to campaign against cuts or commissioning for fear of jeopardising their relationship with local authorities, who they need to fund them.³⁵ The funding they get from these sources will be for work that fits government priorities rather than those determined independently by the group. Because private grant making trusts have also tended to follow the government's lead (for example, the last government's 'community cohesion' agenda was mirrored by many of the trusts), it is hard for organisations to get money for work that falls outside whatever the state has decided is important.

There is more bureaucracy in commissioning than in grants.³⁶ Organisations are so busy doing the onerous monitoring demanded by commissioners and producing the policies that

³¹ 'Pension costs are a clear challenge to the third sector extending its areas of business, yet people in the sector don't seem to grasp the extent of the issue' - Peter Kyle, Deputy Director of ACEVO (as 36)

³² 'The voluntary sector workforce' Third Sector Foresight, 2009 <http://www.3s4.org.uk/news/the-voluntary-sector-workforce-challenges-and-opportunities>

³³ 'PCS on Privatisation' as 6.

³⁴ 'Submission to the Inquiry on Commissioning Public Services from the Third Sector Public Administration Select Committee' Baring Foundation, 2007 <http://www.baringfoundation.org.uk/PASCsubmission.pdf>

³⁵ Peter Lewis, Chief Executive of London Voluntary Service Council, quoted in 'councils warn over charity funding' *Regeneration and Renewal*, 22 November 2010.

³⁶ See Manchester report, as 26 and Adur report, as 27

make them 'fit for purpose' that they have little time for social justice work, responding to developments or campaigning.

The demands of commissioning have divided charities and community groups, both locally and nationally, into those who are able to or want to be 'businesslike' and enter the competitive tendering environment, and those who can't or don't want to. This is a form of divide and rule through funding, meaning that the 'voluntary sector', like society as a whole, is polarised into the insiders and the outsiders, with the state deciding which is which. The government plays on the desire of organisations and individuals to preserve their status by bringing some into the establishment. In return for their 'seat at the table', organisations are expected to toe the line, behave 'professionally' and not be overtly critical. If they don't comply, someone will be happy to take their place.³⁷ Through this tokenistic version of involvement, all the other organisations and groups are ignored, the idea that there is any alternative to the current arrangement is suppressed and dissent is controlled.

'Infrastructure organisations', such as local councils for voluntary service, are some of the organisations under the greatest threat from funding changes and cuts.³⁸ The weakening, and perhaps disappearance, of some of these, and especially of their local campaigning and 'voice' work, will add to the isolation of groups who could be campaigning together against these changes.



'...she's never been the same since they told her to demonstrate her cross cutting network targeting strategy...'

³⁷ See Manchester report, as 26 and Adur report, as 27

³⁸ 'Organisations which do not provide direct services to beneficiaries may be amongst the most vulnerable. Those which offer capacity building support, such as CVSs [Councils for Voluntary Service], are likely to be especially vulnerable as the government agenda shifts away from partnerships, and infrastructure support declines' ('Research reveals most vulnerable third sector groups' *Third Sector*, 15 October 2010, quoting 'Keeping the Show on the Road' Teesside University/Northern Rock Foundation, 2011)

The market cannot replace the voluntary sector

In attempts to make privatisation acceptable, the New Labour government adopted the concept of 'social enterprise', the idea that private sector models geared towards profit-creation could be used to achieve socially useful purposes. The term 'social enterprise' is what you make it: there is no legal entity or form of governance called social enterprise. This allows a wide range of agencies to describe themselves in this way: co-operative shops in rural villages, consultancy firms 'making a difference', residential care homes, and the multi-million pound Welsh Water which pays its Chair £150,000 a year.

The coalition government has embraced this conflation of 'charity' and 'business'. It wants to institutionalise the idea that the preferred way to fund traditionally charitable activity is through social enterprise methods: loans and income generation through contracts, charging or trading, rather than grants or other public subsidies.³⁹ These are the first steps towards ending government support for voluntary action completely. However it is not the case that all charitable work can survive by generating its own income: the work done by those organisations which can't will simply disappear. Instead of being a public service which complements our welfare state, services like support to refugees will become something that happens only in some areas because people do it for free. Fans of reduced public funding to such services sometimes cite the US system, in which 'civil society' is widely supported by private philanthropy. However US philanthropists give at least in part as a method of tax avoidance.⁴⁰ In Britain there are many other tax loopholes which allow for effective tax avoidance without having to give your money away.⁴¹

Commissioning of voluntary and community organisations represents a clash of two worlds: the charitable ethos and the market. People who work for charities usually do so because they are interested in the issues, not in generating profits for shareholders or doing slick marketing to persuade people to want something or prefer them over another provider. Their ethos is based on working together with similar organisations, cross-referring and sharing ideas, not competing. This model provides the best service to their users.⁴² The Carnegie Commission's 'Inquiry into the Future of Civil Society' reported that: 'Voluntary and community organisations are in danger of losing their distinctiveness by mimicking business practices and values.'⁴³

Some of the most experienced and dedicated staff will not continue to work for a service if it moves to the private sector. Nobody offers to give their time for free to a profit-making organisation, or even to a charity if it becomes so corporate that it feels like the private

³⁹ The recent NHS White Paper 'Equity and Excellence: Liberating the NHS' July 2010, states that the Government aims to create 'the largest social enterprise sector in the world'

⁴⁰ 'Study links tax breaks with increase in giving' *The Chronicle of Philanthropy*, 11 December 1997
<http://philanthropy.com/article/Study-Links-Tax-Breaks-With/53529/>

⁴¹ As tax advisor Ronan Voigt puts it 'to evade tax is illegal. But to avoid tax is perfectly legal. Why risk breaking the law when there are so many loopholes to be exploited?' <http://www.taxbeater.com/>

⁴² NAVCA response to 'Modernising Commissioning': 'charities are required to be independent of government and are accountable primarily to their stakeholders, who are often disadvantaged communities. The funding and grant making economy within which they grow and develop operates differently from other economies and commissioners need to take into account the impact of market approaches.'

⁴³ 'Making Good Society, Final Report to the Commission of Inquiry into the Future of Civil Society in the UK and Ireland' Carnegie UK Trust, 2010, pg. 28

sector. Support from volunteers to supplement the work will not be available to these organisations.

Similarly, many users of services will not trust an organisation that they see either as aligned with government or profit-making: the independent charitable identity is a strong draw for them as well as for staff.⁴⁴ Research into Local involvement Networks (LINKs) by Warwick University Business School, commissioned by the Department of Health, showed that the most effective ones were run by local, not national organisations.⁴⁵ In a report about housing associations for The Baring Foundation, Andrew Purkis found that by delivering contracts for government, housing associations had sacrificed their independence. They had also compromised their ability to provide user satisfaction and choice, to empower users, to be respected by and work flexibly with other organisations, and to campaign.⁴⁶ He argues that there are lessons to be learned from this example for the rest of the voluntary sector: 'By positioning the sector as an implement of government policy...government risks destroying the very attributes it values in the sector.'⁴⁷

4. Localism and 'big society'

Big what?

New Labour talked about community empowerment and increasing opportunities for marginalised people. It put money into initiatives for patient involvement in healthcare and inclusion of local groups in council decision-making (much of this involvement was criticised for being tokenistic and so centrally controlled that it gave few opportunities for genuine decision-making by ordinary people.⁴⁸). The current government has rejected this agenda as state interference and has offered in its place what it is defining as decentralised service provision and a renaissance of volunteerism and neighbourliness, and calling it the 'big society'. The previous control by the state alongside an increasingly powerful privatised market will be replaced with an allegedly hands-off state (not as hands off as they claim, as explained below) and an even more powerful privatised market. The 'big society' fits with other government policies in that its major concern is increasing the power of businesses and already powerful individuals. In the gap between what the state won't provide, determined by the cuts, and what the private or voluntary sector can't make money from, people will be left to make their own arrangements. A return to the values of Victorian-style philanthropy will allow those with money to decide what resources are needed, to do what, according to their measure of its deservingness. This is the opposite of provision of services for citizens as a right.

The 'big society' is not a coherent plan but a marketing term. David Cameron defined it just before the last election as 'a society where the leading force for progress is social responsibility, not state control', and said that this progress would be achieved by 'enabling

⁴⁴ Manchester report, as 26

⁴⁵ 'Sustaining links: challenges and opportunities' Warwick University, June 2010
<http://www2.warwick.ac.uk/fac/soc/wbs/research/lgc/networks/consortium/linksresearch/>

⁴⁶ 'Housing Associations in England and the Future of Voluntary Organisations' Baring Foundation, June 2010

⁴⁷ 'Allies not Servants' Matthew Smerdon, Baring Foundation, November 2006, quoted by Andrew Purkis, as 52

⁴⁸ 'The Limits of Partnership' Jonathan Davies, in 'Political Studies: 2007 Vol 55' University of Warwick, 2007, pg. 779–800.

and encouraging people to come together to solve their problems and make life better'.⁴⁹ Attempts to explain it since then have been no less vague. The BBC reported in February 2011: 'There is still confusion among civil servants about what the big society actually means - despite an on-going series of seminars across Whitehall to explain it.'⁵⁰ This vagueness is probably useful for the government: a woolly concept is a flexible concept which can be slotted into all sorts of debates and re-shaped to serve as an 'answer' to policy problems in widely different fields.

The main elements of the 'big society' are: a small grants fund on about the same scale as the previous government's Grassroots Grants programme; a training programme for local community organisers; a National Citizen's Service to put 16 year olds on volunteering programmes; a 'big society' day to celebrate volunteering; private sector mentors for groups of people wanting to set up co-operatives and mutuals to take over local services and the 'big society' bank – money from dormant bank accounts which will be used to provide loans to social enterprises (the involvement of the banks in this scheme has been in return for promises by the government that it will not increase their regulation.⁵¹).

Scepticism about the big society non-idea has been so widespread that it is hard to find anything positive written about it, even by right wing commentators. Sky News describes 'a string of criticism from opposition politicians, voluntary groups, disgruntled Tories and even the Archbishop of York'.⁵² *The Economist* calls it 'a baggy concept...fanciful [in] its vision of a renaissance of volunteerism'.⁵³ *The Independent* reports that 'only 37 percent of Tory MPs believe [Cameron] is right to make the Big Society his flagship while 47 percent say he is not'.⁵⁴ *The Daily Mail* says that Cameron 'has faced criticism from all sides...over the policy, which critics say is too vague, with even some senior Tories attacking it as a 'lead balloon'', and quotes Brendan Barber, TUC general secretary, saying that the Prime Minister's 'ideal society is Somalia where the state barely exists, and his hell the Scandinavian societies that the rest of us admire for combining quality services, equality and dynamic economies'.⁵⁵

The proposals are likewise dismissed by nearly everyone you speak to involved in the voluntary and community sector when they are talking off the record. In public, some organisations have been engaging with the 'big society' as if they think it is a workable concept, lining up to help 'deliver' it, in the hope that they can protect their own short-term

⁴⁹ David Cameron's speech launching the 'big society', 31 March 2010
http://www.conservatives.com/News/News_stories/2010/03/Plans_announced_to_help_build_a_Big_Society.aspx

⁵⁰ 'Big society: more than a soundbite?' BBC online, 14 February 2011 <http://www.bbc.co.uk/news/uk-politics-12163624>

⁵¹ 'Revealed: British banks' big society pact' Sky news blog, 25 November 2010
<http://blogs.news.sky.com/kleinman/Post:c63232fc-e28f-4e11-a04f-943ab67c641b>

⁵² 'Will Cameron's big society relaunch work?' Sky news online, 4 February 2011
<http://news.sky.com/skynews/Home/Politics/David-Cameron-Big-Society-Prime-Minister-Takes-A-Gamble-With-Relaunch-Of-Initiative/Article/201102215930423>

⁵³ 'Second Invitation' *The Economist*, 22 July 2010

⁵⁴ Andrew Grice, Political editor, *The Independent*, 4 March 2011.

⁵⁵ 'I will be an unpopular Prime Minister, says Cameron as he defends cuts at relaunch of controversial Big Society plan' *The Daily Mail*, 14 February 2011 <http://www.dailymail.co.uk/news/article-1356730/Big-Society-David-Camerons-mission-Tories-snipe-lead-balloon-policy.html#ixzz1GZiEhigT>

interests by grabbing a piece of the ever-diminishing funding pie.⁵⁶ Locality's successful bid to run the community organisers training programme speaks the government's private sector-aping language: civil society is said to be disempowered because it is 'generally non-entrepreneurial and therefore not resilient'. What it needs is an 'investment-based assets and enterprise approach'. The new Institute for Community Organising will 'generate income from trading activity and seek mission-related investment returns...For example, Walkers Crisps might sponsor the CO [Community Organiser] for Nottingham'.⁵⁷

Locality accepts the government's view that its hands are tied because of the economic climate and no one can expect the state to help anymore: 'Given the new environment that 'the powerful' themselves are negotiating— with greater freedom but significantly reduced resources— we believe it is essential that community organising has a strong flavour of mutual enterprise. Active citizenship and full engagement with civil society must mean less of "why don't they do something about it?" and more of "what could we do about it?"'⁵⁸ Locality puts its money where its mouth is by offering £250,000 of its own funds towards the cost of the programme. By declining to criticise these practices, voluntary organisations are colluding in their own demise, allowing the government to turn all activity that used to be called 'charity', 'voluntary' or 'civil society' into business.

It is a pity that those who know the world of voluntary and community action are not putting up more resistance. If anyone should be highlighting the ideologically noxious thinking behind the 'big society', it is the sector which could be at the centre of such a plan but which the government is in fact in the process of dismantling. The 'big society' is certainly lazy and cynical policy-making (if good things happen the government will claim credit for having 'enabled' people to do things for themselves, if they don't it will be the fault of people for not being enterprising enough and expecting the state to fix their problems), but it is also much worse than that. Matt Scott, Director of the Community Sector Coalition, says: 'If someone wanted to set the sector back not just decades but into the Victorian era they could not do better.'⁵⁹

'Localism: a big market of fragmented and unaccountable services

The 'big society' plans are linked to the government's Localism Bill, which promises to shift power from central government to local people, councils, charities, businesses and social enterprises. Voters will be able to challenge how council services are run, force them to be tendered out and overrule planning decisions. As Matt Scott puts it, 'Local people are to be given the power to instigate local referendums in the hope that they might be persuaded to save local facilities threatened with closure and run them themselves – a poisoned chalice if ever there was one.'⁶⁰

⁵⁶ An example from Voluntary Action Stoke on Trent: 'Our key aim is to advance and promote the professional development of the Voluntary and Community Sectors (VCS) now known as **Big Society**. From our dedicated Board of Trustees to our front line team, we have the skills and experience to help VCO's compete and prosper in the 21st Century marketplace.' (<http://www.vast.org.uk/>)

⁵⁷ 'Tender to provide a national partner for the community organisers programme' Locality, 2010 <http://nw.wea.org.uk/assets/files/resources/phmevent/Community%20Organisers%20-%20Successful%20Locality%20Bid.pdf>

⁵⁸ 'Tender to provide a national partner for the community organisers programme' Locality, as 63

⁵⁹ Matt Scott, Community Sector Coalition: http://csdirector.blogspot.com/2011_01_01_archive.html

⁶⁰ Matt Scott, Community Sector Coalition, as 65

Much has been made of the possibility of services coming under community control. However the 'right to challenge' included in the bill is specifically intended to open up the 'public service market'. In the absence of any genuine 'enabling and encouraging' of communities to take on services (in fact the reverse is happening as local charities and community provision are being decimated by cuts), it is the large corporate charities and the private sector which are taking on this role. *The Independent* reports that 'LSSI, an American firm which manages 13 public libraries across the US, has set itself a target to manage libraries in eight British local authorities by the end of the year and to capture 15 per cent of the market within five years...Private firms Serco, Sodexo and Mitie have been chosen as preferred bidders to run the Community Payback scheme for offenders, currently run by probation staff, with no voluntary groups making the shortlist. Only two voluntary bodies are among 35 groups to qualify to bid for welfare-to-work.'⁶¹

Decentralised provision of social services means fragmented provision. Private companies are accountable to their shareholders, not to communities. Charities are independent in structure and nature: they are designed to be responsive to their members, who may represent a small interest group. Their trustees have a high level of autonomy and government regulation of them is light. This is an appropriate model for the services charities have traditionally provided outside the realm of statutory provision. It is not appropriate for delivering essential services that need to be consistent nationally and answer to the whole population.

The government is keen for every penny to be accounted for, proposing that the new providers of many services are paid 'by the results they achieve',⁶² but accountability is about more than just money: it is about making sure the service operates in the best way for those who need to use it, not just the way that suits those who are running it. NAVCA has called for 'safeguards to ensure that the new mutuals have inclusive governance arrangements, are accountable to local communities and service users and that asset locks are in place'.⁶³ It is unlikely that the government will enforce this when it is making no such demands on corporations like LSSI and Serco. The head of the civil service has ordered an inquiry into the democratic impact of the localism bill and the 'big society' because of concerns over accountability.⁶⁴ The information commissioner has warned that the accountability of the state will be eroded as more and more services are outsourced, 'because everything from children's services to doctors' practices could end up outside the scope of the Freedom of Information Act'.⁶⁵

The New Economics Foundation argues: 'Democratic government is the only effective vehicle for ensuring that resources are fairly distributed...It can and must ensure that fundamental rights and capabilities of all citizens are protected from incursions by powerful interest groups ...action by businesses or third sector organisations can supplement but

⁶¹ 'Cameron's big society relaunch runs into big trouble' *The Independent*, 15 February 2011

<http://www.independent.co.uk/news/uk/politics/camerons-big-society-relaunch-runs-into-big-trouble-2215053.html>

⁶² David Cameron, as 55

⁶³ NAVCA evidence to the 'Public Administration Select Committee Inquiry into the Big Society' pg 7-8

⁶⁴ 'Big society plans raise concerns for parliamentary democracy' *The Guardian*, 21 January 2011

<http://www.guardian.co.uk/politics/2011/jan/21/big-society-parliamentary-democracy>

⁶⁵ *The Guardian*, as 70

cannot replace these functions, not least because they usually serve sectoral or specialised interests, rather than those of the nation as a whole.’⁶⁶

Big government

The reforms in the Localism Bill do not fundamentally change the relationship between central and local state. Britain remains unlike most European countries in that local government is legally and financially dependent on central government. David Walker, formerly of the Audit Commission, writes in *The Guardian* that since coming into power the coalition government has done ‘the very opposite of decentralising’, instructing councils ‘what they can’t do (empty bins fortnightly) and what they must do (publish local spending details according to a central script)’. He points out that ‘every other advanced country has a viable form of property tax supporting municipal administration’.⁶⁷

London School of Economics professor George Jones said in his evidence to the House of Commons Select Committee on Communities and Local Government: ‘The steps taken and proposed will in fact encourage a creeping centralisation... Ministers are essentially promoting sub-localism, taking powers from councils allegedly to give to ‘Big Society’ actors below the local authority level, but ineluctably sucking up key control functions to Whitehall at the same time.’⁶⁸

Big cuts

The government’s slashing of spending on public services and the voluntary sector is attacking everything that would be necessary to create the society Cameron says he wants, in which it is ‘the innovation, the can-do spirit and the imagination’⁶⁹ of people which drives things. New initiatives and ideas need funding, and running a community centre or a library needs experienced people and resources. Geoff Mulgan, chief executive of the Young Foundation, said: ‘Many in the sector fear that the Big Society Bank’s funds will be directed only to low-risk established ventures, and steer clear of genuine innovation.’⁷⁰

Cuts to local authorities and charities will mean that many local services will reduce or stop. Some organisations are already reporting that cuts mean they have less capacity to take on volunteers⁷¹. Dame Suzi Leather, Chair of the Charity Commission, said on BBC One’s *Politics Show*: ‘If you cut the charities, you are cutting our ability to help each other, you are cutting what structures our neighbourliness. That is what Big Society is all about, so you are pulling the rug from under that.’⁷² Dame Elisabeth Hoodless, former Chief Executive of CSV, Britain’s largest volunteering charity, said on Radio 4’s *Today* programme: ‘There are a lot of

⁶⁶ ‘Ten Big Questions about the Big Society’ New Economics Foundation, 2010 ‘www.neweconomics.org/.../ten-big-questions-about-the-big-society-html

⁶⁷ ‘Localism Bill is a Con,’ *The Guardian*, 24 November 2010

⁶⁸ Quoted on LSE blog, 22 November 2010 <http://blogs.lse.ac.uk/politicsandpolicy/tag/localism-and-the-big-society/>

⁶⁹ David Cameron, as 55

⁷⁰ *The Independent*, as 67

⁷¹ E.g. Terry Connor of Cabrini, speaking of the experiences of Citizens’ Advice Bureaux at ‘The Big Society Volunteer Army’ event, LSE 10th March 2011

⁷² ‘Spending cuts will ‘harm charities and undermine Big Society’ *The Daily Telegraph*, 24 October 2010
<http://www.telegraph.co.uk/news/politics/8083958/Spending-cuts-will-harm-charities-and-undermine-Big-Society.html>

very worthwhile programmes, for example volunteers working in child protection as promoted by the minister for children, which are now under threat of closure...It's about one hand not appreciating what the other hand's doing.'⁷³

Is this apparent contradiction because the government is not actually interested in the level of innovation, empowerment or effectiveness of what happens in any of our local areas, but is rather seeking a justification for not paying for it? Cabinet Office Minister Francis Maude said in response to Hoodless' comments: 'Building the big society is not about pouring taxpayers' money into the voluntary sector. What we are doing is supporting a new culture where everyone gets involved and society stops relying on the state to provide all the answers. I believe too much time is spent asking the taxpayer to prop up traditional organisations.'⁷⁴ The New Economics Foundation says: 'Spending cuts on an unprecedented scale seem to mark the end of the post war settlement. We move from pooling responsibility through the machinery of a democratic state to dividing it between individuals, groups, localities and organisations in the private and voluntary sectors.'⁷⁵

This dividing of resources with the market as the decider, rather than redistribution through taxation, translates into the handing of more money and power to those who already have it. The government's philosophy is if people want something let them provide it themselves for nothing. If they can't do that (presumably because they are too lacking in 'can-do attitude and innovation'), let them sink. The idea that bankers are paid large bonuses to reflect the fact that they are of more value to society than the rest of us, because 'whatever makes money is good for all of us' is a piece of propaganda swallowed by many people, partly because corporations, media empires and the governments they help to fund put a lot of time and money into spreading that message.⁷⁶

Simon Szreter, Professor of History and Policy at the University of Cambridge, writes in *The Independent*: 'In order to maintain the confidence and vigour of the international financial market, the rest of us have to let them continue with business as usual, indulge them whenever they make a colossal mess, bail them out and then take cuts in our living standards... because otherwise...the financial markets will "lose confidence." This is a form of holding us all to ransom, which is what the trade unions were accused of in the 1970s... What we are seeing today is the self-interested use of the power of capital to exert the same kind of distortionary leverage.'⁷⁷

Big bigotry

The 'big society' project has heralded the return of a no-nonsense language of judgement, prejudice, patronising philanthropy and compulsion, in which individuals, groups of people and whole geographical areas are branded problematic by the government and required to change. The government has spoken of 'the crime, the abuse, the incivility on our

⁷³ *The Today Programme*, Radio 4, 7 February 2011 <http://www.bbc.co.uk/news/uk-politics-12378974>

⁷⁴ 'Francis Maude denies spending cuts undermining big society' *Third Sector*, 8 February 2011 <http://www.thirdsector.co.uk/news/Article/1053626/Francis-Maude-denies-spending-cuts-undermining-big-society/>

⁷⁵ New Economics Foundation, as 72

⁷⁶ 'The mantra that without greed there would be no growth, and without growth we would all be doomed,' deconstructed by Daniel Dorling in *Inequality*, Policy Press 2010, pg. 4

⁷⁷ 'The markets are holding us to ransom' *The Independent* 6 December 2010 <http://www.independent.co.uk/opinion/commentators/simon-szreter-the-markets-are-holding-us-to-ransom-2152213.html>

streets...the broken society'⁷⁸, and the need to create 'more responsible and active communities where people play a part in making society a better place'.⁷⁹ The Third Sector Research Centre points out that, set against the previous government's policy language, 'concepts of social justice have been replaced by use of words such as 'fair' and fairness' alongside terms such as 'liberation' and 'freedom' – the co-option of the language of radical Catholicism'.⁸⁰

There is an emphasis in policy papers on the importance of 'Britishness',⁸¹ a concept which is never defined, but seems to be something to do with rediscovering this civility, responsibility and positive attitude which is said to have been lost, particularly in 'deprived' areas.

We may never have believed that New Labour was genuine when it spoke of the need for inclusion, tolerance and equality (though some of the pronouncements were backed up in policy, such as demands on local authorities to undertake equality impact assessments, which the present government has scrapped, and the 1998 Human Rights Act, which 86% of Conservative members want to see replaced by a watered down British Bill of Rights⁸²), but the fact that it evoked the concepts now feels like a luxury in the face of a government whose leader defines 'multiculturalism' as a pernicious ideology: 'Under the doctrine of state multiculturalism, we have encouraged different cultures to live separate lives...we've even tolerated these segregated communities behaving in ways that run completely counter to our values.' He suggests this be remedied by 'ensuring that people are educated in the elements of a common culture and curriculum'.⁸³

One of the elements of the 'big society', the idea for a National Citizen Service for young people, was initially presented as a form of national service to 'help prepare young people for adult life, as well as bringing Britain together in one shared, classless, patriotic mission'.⁸⁴ The requirement for a week of military training didn't survive into the 2010 version of the policy, but the programme was described as having 'the same spirit as national service'.⁸⁵ Cameron has said the idea was inspired by his time in the cadets at Eton, doing 'visits to elderly, vulnerable people in Windsor'.⁸⁶ Young people who have been designated 'the hardest to reach', which to this government is synonymous with having 'anti social'

⁷⁸ David Cameron, as 55

⁷⁹ 'Open Letter to Voluntary, Community and Social Enterprise Sectors' Francis Maude and Nick Hurd, Cabinet Office, 12 November 2010

⁸⁰ 'Below the Radar in a Big Society' Third Sector Research Centre, December 2010, pg. 7

⁸¹ E.g. 'National Citizen Service' Conservative Party, 2010, pg. 10

⁸² *The Independent*, as 67

⁸³ David Cameron's speech to the EU security conference in Munich, 5 February 2011
<http://www.number10.gov.uk/news/speeches-and-transcripts/2011/02/pms-speech-at-munich-security-conference-60293>

⁸⁴ 'It's Time to Inspire Britain's Teenagers' Conservative Party, 2007. Quoted by Tania de St Croix in 'Struggles and Silences: Policy, Youth Work and the National Citizen Service' Youth and Policy, 2011

⁸⁵ 'National Citizen Service' Conservative Party, 2010. Quoted by Tania de St Croix, as 90

⁸⁶ 'What Eton taught me about citizenship' David Cameron, *Daily Telegraph*, 9 April 2010. Quoted by Tania de St Croix, as 90

tendencies, 'will not be given any dispensation for unacceptable behaviour...hard to reach young people should be encouraged to take part in this programme...on a level playing field with everyone else'.⁸⁷ The government knows before it begins which people fit its image of acceptable, civically responsible Britishness and which don't.

Big inequalities

One of the aims of the 'big society' is to build 'a fairer, richer, safer Britain, where opportunity is more equal and poverty is abolished'.⁸⁸ However, the proposals ignore the effects of existing, and ever-growing, economic inequality in society.⁸⁹ A BBC report quotes Matthew Taylor, Chief Executive of the Royal Society of Arts: "If the big society is going to be powerful, its power must be felt in deprived communities'...Mr Cameron and the other architects of the concept represent relatively affluent constituencies, in rural areas, where there is a settled population and plenty of fit and active retired people with time on their hands for volunteering. It is a very different story, argues Mr Taylor, in the inner cities, where the coalition's cuts are likely to hit the hardest - and where people often lack the confidence, or the spare time, to take over services such as libraries and community centres that might be facing closure. A former local government regeneration chief, who did not want to be named, put it more bluntly: 'The government are completely unrealistic about what it means to someone living on an inner city housing estate. They haven't got a bloody clue.'⁹⁰

The proposals pay no attention to equality of representation or long-term co-operation between communities. There are no safeguards to prevent less confident voices being drowned out by the more vocal. Community organisers must raise their own private money, which could constrain their ability to organise locally in a co-operative way that recognises different needs. The Office for Public Management says that some communities might become engaged in the way the government imagines, but that 'it is harder to see how such a movement will evolve in communities with low levels of civic participation [and] deep levels of social exclusion'.⁹¹

The New Economics Foundation says: 'If change is created at the local level only, it will not survive in a system where inequality is endemic. There need to be structural changes to the economy, to prevent the concentration of wealth and power in a few hands, leaving others with little or none. That means sharing responsibility across income groups. Communities will not be 'mended' unless we build a broader economy.'⁹²

Concerns have been raised by professionals already working in the field of community development, which has been supplanted in the 'big society' project by 'community organising', based on the American model of the 1930s-60s devised by Saul Alinsky, and

⁸⁷ 'National Citizen Service' Conservative Party, 2010, pg. 11

⁸⁸ David Cameron, as 55

⁸⁹ Andrew Climo, Chief Executive of Community Leaders, says: 'At present the Government has not designed or implemented any policy that can be seen to address poverty in any profound way: higher taxes, significantly reduced public services and joblessness are having a major impact in raising the incidence of poverty.' North West Community Activists' Network e bulletin, March 2011

⁹⁰ Big Society: more than a soundbite? BBC online, 14 February 2011 <http://www.bbc.co.uk/news/uk-politics-12163624>

⁹¹ 'The New Neighbourhood Army' Office for Public Management, December 2010, pg 1

⁹² New Economics Foundation, as 72

important in Barack Obama's early career. Consultants Jayne Mills and Sue Robson say: 'Alinsky's mantra of 'don't do for the poor what they can do for themselves' resonates with Cameron's rationale for cutting services to the poor, which, in his view, leads to dependency on the state.' Witnessing the community organising method in action in the North East of England, they felt that 'it could be used as a tool to oppress vulnerable individuals and marginalised groups'. They described 'young people perceived to be engaging in 'anti- social behaviour' being negatively targeted by adults in the community and increased surveillance placed upon them. Questions about how the community organising model was addressing the marginalisation of these young people were angrily dismissed by the trainer'.⁹³

Big demands on ordinary people

Smaller, wholly or mainly volunteer-run voluntary sector organisations and community groups, distressed at loss of funds through cuts and the non-renewal of government funding streams, or of services and networks they use like councils for voluntary service, are being told not to worry: the 'big society' is for them. They can expand, entrepreneurially, into delivering public services.

Quite apart from the fact that these groups are unlikely to be able to compete with multi million pound corporations in the public service market (no special treatment for the voluntary sector either, just as there is to be none for immigrants or the 'hard to reach', as that would spoil the 'level playing field' that allows the already privileged to dominate), most of these groups have no interest in delivering public services. They have arisen out of their communities for their own reasons. A Third Sector Research Centre working paper found that most grass-roots community groups saw themselves as an 'important response to needs that were currently unmet either due to lack of resources, or the failure of the state and other agencies to identify or address need'.⁹⁴ Getting involved in a local group to improve your community is different from taking responsibility for a social enterprise and bidding for contracts. People's time and energy for civic involvement is finite: if it is diverted into delivering essential services which the government should be providing, less of it will be available for them to express their ideas about what they want to see instead.

Research by the National Council for Voluntary Organisations has shown that running local services requires specific skills, commitment over time and funding. Their research found low levels of the type of 'civic activism' needed to run services as a volunteer⁹⁵. The 'Communities and Local Government Survey on Community Empowerment' (2009) found that the people most likely to volunteer were economically inactive (for example, retired, looking after family or having a long term illness or disabled), and living in rural areas where they had lived for five years or more. The 'Pathways through Participation Literature Review' (2010), found that 'typical formal volunteers are women, of higher social grades, in managerial positions, degree educated and middle aged'. Although the government wants 'every adult to be a member of an active neighbourhood group',⁹⁶ its own MPs are far from this goal: a survey of Conservative and Liberal Democrat MPs by the website www.the-big-society.co.uk, found that only 8% of them volunteer.

⁹³ 'Does community organising empower or oppress?' Jayne Mills and Sue Robson, *Community Development Exchange magazine*, winter 2010, pg.13-14

⁹⁴ 'Understanding the distinctiveness of small scale, third sector activity' Third Sector Research Centre, May 2010

⁹⁵ 'The Big Society – the evidence base' NCVO, July 2010

⁹⁶ David Cameron http://www.conservatives.com/News/Speeches/2010/03/David_Cameron_Our_Big_Society_plan.aspx

Matt Scott says: 'Real devolution of power by communities would go beyond the opportunity to call for a referendum...or take over the running of a building...if localism were to happen from the grassroots upwards we would see a rich diversity of informal community action, which inevitably takes years and costs money. The more likely scenario is that local community action will continue to decline, as always happens at times of economic hardship because the rational choice is to use one's time to seek paid work, not to volunteer.'⁹⁷ Historically, vibrant community activity (as well as lower levels of inequality and a healthier population) have been seen most in times of high government investment in local public services.⁹⁸ Public provision creates spin-off voluntary sector provision and informal community activity: libraries, educational institutions and community centres funded by the state provide focus for people to gather and work together.

Andrew Climo, Chief Executive of Community Leaders, said 'The banking crisis, excessive bonuses and collateral damage to the notion of a cohesive society may have fatally damaged the notion that people should voluntarily give up their time to support civic society when those at the apex have effectively 'opted out' of society.'⁹⁹



⁹⁷ Matt Scott, Community Sector Coalition, as 65

⁹⁸ See 'A central role for local government? The example of late Victorian Britain' by Simon Szreter, History and Policy <http://www.historyandpolicy.org/papers/policy-paper-01.html>

⁹⁹ Andrew Climo responding to Jesse Norman on the 'big society' North West Community Activists Network e bulletin, March 2011

Big control

The 2008 Conservative Party green paper 'A Stronger Society' quoted the architect of the welfare state, William Beveridge: 'People and organisations are...more 'vigorous and abundant' when given the freedom to act on their own initiative rather than when ordered from above.'¹⁰⁰ It is difficult to see how cuts to their independent sources of funding and the exhortation to deliver services determined by the government will help community groups and organisations to do this. These groups are able to do the things that make them distinctive because of their structural difference from both government and market: they are there to help us tell the government what we want it to do with our money, not for the government to use as its delivery vehicle. The Carnegie Commission said: 'Civil society associations can never be just providers of services...their energy comes from values – of justice, equality and mutuality...civil society thrives best when it has an independent and confident spirit, when it is not beholden to the state or funders, and when it is not afraid to make trouble.'¹⁰¹

The Third Sector Research Centre points out that government has been most successful in encouraging community action 'when it has angered people. In the last decade such successes have included the establishment of the Countryside Alliance..anti-Iraq war demonstrations...and most recently in the demonstrations against the abolition of the Educational Maintenance Allowance'.¹⁰² It is the passion that these issues arouse in people that inspires them to get involved, in spite of the restrictions of time and money which mean they must prioritise the paid working week. Why then are pressure groups, trade unions, the networks that are actually engaging people and supporting them to take action together not discussed as part of the government's vision of vibrant community activity? They are not just absent from the 'big society' picture, they are unwelcome in it and are being attacked.¹⁰³ The government seems to be intimidated by the plurality of community activity, some of which is unpalatable to it. This plurality is part of what makes a free society. Real debate by ordinary people is what distinguishes a strong democracy from a weak one.¹⁰⁴

Community activity exists because people like to get together, 'to meet basic human needs, not deliver on policy agendas...people are looking for something qualitatively different in their community activity from the demands, pressures and duties of work'.¹⁰⁵ By getting involved in community, civic or political activity, people are able to express solidarity with others, explore creative ideas and enjoy themselves. This is the sort of activity that keeps us sane and helps us to feel alive. It is by its nature shared activity, a point which David

¹⁰⁰ Quoted in 'A Stronger Society: Voluntary Action in the 21st Century' Conservative Party Green paper 2008

¹⁰¹ 'Making Good Society, Final Report to the Commission of Inquiry into the Future of Civil Society in the UK and Ireland' Carnegie UK Trust, 2010, pg. 28

¹⁰² 'Below the Radar in a Big Society' Third Sector Research Centre, December 2010, pg. 12

¹⁰³ 'The Trade Union Co-ordinating Group today denounced the CBI's recommendations for 'modernising' the laws relating to industrial action as an attack on trade unionism which if enacted would undermine the fundamental human rights of workers,' Trade Union Co-ordinating Group, 6 October 2010
http://www.fburegion6.co.uk/index.php?option=com_content&view=article&id=625:unions-vows-to-fight-fundamental-attack-on-trade-unionism&catid=1:latest-news&Itemid=50

¹⁰⁴ See Frederick Powell, *The Politics of Civil Society*, Policy Press 2007, pg. 4

¹⁰⁵ 'Below the Radar' as 108.

Cameron struggles to grasp, inspired as he is by a paternalistic model of philanthropy learned by helping the less fortunate while at Eton.

Community groups which emerge for other reasons than to deliver services are a way for people with less power in society (most of us) to look out for each other and represent ourselves. If we feel we have no voice, the result is increasing social strife in communities. This is why, historically, more enlightened governments and charitable trusts have given informal, needs-led local groups money and support which did not compromise their independence. If these groups are left out of the picture, there is even more space for those with the most money, time and influence to further their interests at the expense of everyone else's.

It is not just individual groups and services which are in danger of disappearing as part of the 'big society', privatisation and cuts. It is the recognition of and support for a whole sphere of human activity. Whether we call it 'charity', 'civil society', 'the third sector', or the 'voluntary and community sector', it has a unique nature which is worth preserving. It is the space in which people are free to do things, large or small, not because the government promotes them or because they will generate profit, but to try to change the world.



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Appendix: Questions for activists, organisations and communities



Acting in response to the issues raised in this paper is not easy. Staff in voluntary sector organisations fear for their jobs and do not want to do anything that might jeopardise funding and therefore services. Community activists feel isolated. But small initiatives have cumulative effects. The simple expression of an opinion starts to turn the tide, as more people begin to explore alternatives.

Confidence and unity

Can we find links outside our sector: with academics, who can help us to find evidence through their research, with concerned colleagues in statutory authorities, with parts of the local private sector, with trade unions, with individuals interested in questioning the status quo?

Can we increase the skills of our trustees in managing for independence, and help CVSs and other support organisations to have a stronger role in leading on these ideas?

Can groups in a local area refuse to operate 'commercial confidentiality' between each other and refuse to sub-contract to the private sector or to share their local knowledge with it for free?

Negotiation

Can we lobby independent funders to support needs-led work, preventative and holistic work and campaigning?

Can concerned individuals and organisations in a local area unite and aim to influence the commissioning process (see the experience of Hackney Advice Forum¹⁰⁶)?

Can we campaign for regulation of the commissioning system to prevent domination by national charities and the private sector?

Can we use EU and human rights legislation to challenge funders who try to enforce inferior terms and conditions for staff?¹⁰⁷

¹⁰⁶ http://www.independentaction.net/?page_id=3813

¹⁰⁷ See 'Keeping it Legal' Women's Resource Centre, 2009 and Public Law Project www.publiclawproject.org.uk

Can we lobby local authorities to undertake 'impact assessments'¹⁰⁸ of funding and policy decisions: their effect on the survival of local charities and community groups, on quality of life, equality and social stability?

How we work

Can we question the ways we work in our own organisations and make sure they fit our purpose and values? Are we democratic? Do we feel independent enough to speak freely? Do we value our staff? Are we creative and innovative or are we stuck in a rut of meeting funders' targets? See NCIA's 'Managing Independence' campaign.¹⁰⁹

Speaking up

Are there forums in which we can express our opposition to the competitive ethos and have the arguments about why the 'big society' idea won't work? If not, is there any questioning and influencing we can do below the radar?

Can we reject language that we feel uncomfortable with? Can we refuse to be defined as a 'social enterprise' or part of a 'big society'? Can we promote intellectual and political argument using the language we want to use?

Can groups and organisations describe and explain the activities they do and the reasons they can never generate profit?

Can we tell our stories about what cuts will mean in practice? Can we use online surveys and investigative journalism to gather local evidence? Can we unite across sectors (in youth work, for example, local government and voluntary sector workers can be united by their common experience of supporting young people rather than divided by which sector they belong to¹¹⁰)?

Can we try to say in public what we say in private?

¹⁰⁸ EU guidance on impact assessments: http://ec.europa.eu/governance/impact/index_en.htm. NAVCA response to 'Modernising Commissioning': 'we believe that commissioners should always consider contribution to the local area as part of the criteria for assessing social, environmental and economic value.'

¹⁰⁹ <http://www.independentaction.net/campaign-managing-independence/>

¹¹⁰ See <http://www.indefenceofyouthwork.org.uk/wordpress/>