

NCIA Inquiry into the Future of Voluntary Services

Working Paper 14

***Lenin's Useful Idiots?* Voluntary Action and Public Service Reform in Northern Ireland**

Dr Nick Acheson

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Foreword

This paper has been produced as part of the NCIA Inquiry into the Future of Voluntary Services. The Inquiry is specifically concerned with those voluntary and community organisations that deliver *services* in local communities, especially those that accept state money for these activities. These are the groups that have been particularly affected by successive New Labour and Coalition Government policies regarding the relationship between the voluntary and statutory sectors, and attitudes and intentions towards the future of public services. In this and other papers we refer to these as Voluntary Services Groups or VSGs.

It has long been NCIA's contention that the co-optive nature of these relationships has been damaging to the principles and practise of independent voluntary action. The nature and scale of the Coalition Government's political project – ideologically driven - to degrade rights, entitlements and social protections, and to privatise public services that cannot be abolished is now laid bare. This has created new imperatives for VSGs to remind themselves of their commitment to social justice and to position themselves so that they can once again be seen as champions of positive social, economic and environmental development.

Our Inquiry is a wide ranging attempt to document the failure of VSGs, and the so-called 'leadership' organisations that purport to represent them, to resist these shackles on their freedom of thought and action. But it is also an attempt to seek out the green shoots of a renaissance that will allow voluntary agencies to assert their independence and reconnect with the struggle for equality, social justice, enfranchisement and sustainability.

This paper is one of a number that has been produced through the Inquiry and describes and discusses the position of VSGs in Northern Ireland, demonstrating how particular characteristics within the jurisdiction have shaped the voluntary sector and relationships with Government, resulting both in similarities and in differences with other parts of the UK. It has been prepared for NCIA by Dr Nick Acheson, to whom we offer grateful thanks.

For more information on the NCIA Inquiry please visit our website – www.independentaction.net.

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1. Introduction

This paper provides a brief overview of recent developments in relations between voluntary agencies and the devolved administration in Northern Ireland. The paper will seek to summarise and identify the main similarities and differences between Northern Ireland and other jurisdictions in the UK, paying particular attention to the political context, the nature of Northern Irish society and what is currently known about the scope and size of voluntary action, before seeking to identify the state of current relations with government and the key drivers of change.

Focused on the impact of public sector reform, it draws on research on the 'Supporting People' programme in Northern Ireland carried out for the Northern Ireland Housing Executive between 2011 and 2012 (Mullins et al, 2013), and on research on independence of the voluntary and community sector (VCS) commissioned by the Building Change Trust (Acheson 2013). This paper is an up-dated and revised version of that report. Thanks are due to both funders, although the use and interpretation of the data are the author's alone.

Overview

Many of the pressures in relation to public sector reform experienced by voluntary organisations in Northern Ireland will be familiar to readers elsewhere in the UK. Outsourcing of public services, reducing budgets, a fixation on impact measurement, the growing reliance on government funding through contracts to deliver public services, and an accompanying squeeze on the willingness and capacity to comment on and influence public dialogue are themes that are widely shared. But there are differences in context, the size and shape of the VCS, and its relations with government that together have generated a somewhat different atmosphere and tone to the debate than in England.

Consequently, the paper will sketch in the political context of Northern Ireland, identifying the main themes in this context. It will provide a brief background summary of the ways that the relationship between voluntary action and government has changed since the initial restoration of devolution in 1998. It is against this background that the current predicament of voluntary action can best be understood. The paper will then describe the main dimensions of voluntary action so far as these are known, identifying the differences and similarities with England, before discussing the current financial relationship with government in some detail. Evidence of how these issues are understood and are playing out will be discussed and an overall conclusion offered.

The paper will draw on a range of secondary sources and interview data obtained from key actors in voluntary agencies and government bodies between 2011 and 2013. Analysis is hampered by a lack of reliable data. There is no charity data equivalent to the rest of the UK as the Northern Ireland Charity Commission only began the task of registration in 2013. Analysing financial data against other variables must be based on survey data gathered by the Northern Ireland Council for Voluntary Action (NICVA) taken from an incomplete sampling frame of organisations. Nevertheless where appropriate this report draws on this dataset as the best currently available. Other data is available from various government documents and websites but it is not always clear what the sources of these data are.

Interview data is drawn from research on organizations in the ‘Supporting People’ programme (Mullins, Muir and Acheson 2012) and on a set of key stakeholder interviews carried out for the Building Change Trust in 2013 (Acheson, 2013).

2. Voluntary Action in Northern Ireland - Estimates of numbers of charities

The establishment of the Charity Commission in Northern Ireland and the start to the process of registering charities in 2013 makes it easier to estimate the total numbers of voluntary associations with public benefit objectives. The so-called “deemed list”, published on the Charity Commission website, consists of all organisations recognised as having charitable objects by HM Revenue and Customs. This numbers over 7,000. Considerable and as yet uncounted numbers of very small organisations, that have had no contact with regulatory authorities thus far have led the Commission estimate that there may be as many as 10,000 organisations that meet the public benefit test. Unlike in other UK jurisdictions, there are no exemptions to registration on grounds of size (private communication, March, 2014).

The absence of any regulatory authority in Northern Ireland up until this time has meant that there has been an incomplete picture of the extent of voluntary action. The NICVA database counted 4,836 in May 2012, the most recent and sixth report in the series. A substantial under-estimate, this is the figure used in the UK Civil Society Almanac (Kane et al, 2014). An under-estimate it may be, but nevertheless, NICVA’s biennial ‘State of the sector’ snapshot surveys of respondents taken from this database provides the best available summary evidence on its size, composition, staffing and finances that are available. Although a different sample was taken at each survey point and there have been variations and developments in the methodologies adopted, in tracking change over 12 years, treated cautiously, the surveys do provide a useful insight into trends, particularly financial trends.

This data suggests two quite striking conclusions: first the stability of the types and nature of the groups surveyed and second, in contrast, a dramatic change in the funding environment, reflecting significant change in relations with government. These organisations largely operate within Northern Ireland only and overall there is a far greater dependence on Government funding than elsewhere in the UK.

There is some evidence to suggest that the numbers of organisations increased dramatically in the 1970s and 1980s, responding to the onset of the ‘Troubles’ and then the recession of the 1980s. But since then numbers have remained fairly static. Over 80% are based in, and only operate, in Northern Ireland with a further 10% operating both in Northern Ireland and other parts of the UK. There is a very low level of cross-Border activity with the Republic of Ireland (just over 3% reported a geographical remit that covered both Irish jurisdictions) (NICVA, 2012).

3. The Northern Ireland context: the voluntary sector as Lenin’s “useful idiots”

Northern Ireland remains a post-conflict transitional society in which many of the underlying dynamics and legacies of the conflict are yet to be resolved. Relations between the two main

ethno-religious communities in Northern Ireland remain wary (Devine, Kelly and Robinson 2011) and, across many measures, the evidence suggests that significant risks to long-term stability remain (Nolan 2012).

Despite some movement in terms of residential segregation and shared schooling, the fundamental divisions remain unchanged. Over 93 per cent of children are educated in separate schools, interface walls still divide communities and sectarian riots are accepted as routine annual events. Twenty years on from the first ceasefires the terms of trade have been set by deals and side-deals. These have prevented the return of large-scale violence but the model on offer from the top is peace without reconciliation. A culture of endless negotiation has become embedded and, without a vision of a shared society to sustain it, the peace process has lost the power to inspire (Nolan, 2014: 11)

The Northern Ireland economy remains weak. Of all the regions of the UK, it has suffered the deepest recession and is experiencing one of the weakest recoveries, with low productivity, low wages, and low living standards (Nolan, 2014). The proportion of the economy sustained by public expenditure is much higher than elsewhere in the UK and public sector jobs remain an important part of what is a low wage economy. Although the figures should be treated with a degree of caution, the gap between total public expenditure and tax raised within the region remains stubbornly high at about £10bn a year.

For a long time, the underlying task of transition from conflict (variously conceived) provided a framing narrative for the voluntary and community *sector's* identity (although by no means all voluntary and community organisations). An important basis for its engagement with government was the sector's supposed contribution to the process of peace and reconciliation, although organisations had become increasingly involved in various forms of out-sourced public service delivery during the 1990s, from a very low base. Thus the Compact agreement, introduced in 1998 along with other parts of the UK, was given particular weight by sector elites who had bought into a narrative of modernisation and 'moving on from the past', shared with government.

During the latter period of government by direct rule from Westminster from the very early years of the Peace Process in 1993, the voluntary sector achieved an extraordinary level of influence and was invited by government into a partnership to underpin the transition from conflict, latterly receiving lavish funding through the EU Peace Programmes to do this, culminating in the institutional recognition of this role in the Civic Forum (Williamson et al, 2000; Morison, 2001). Funding from the first two European Union Programmes for Peace and Reconciliation totaled around €2.1bn between 1994 and 2006. Over 70% was spent within Northern Ireland (the rest in the border counties of the Republic of Ireland), most on voluntary and community organisations. The partnership structures designed to disburse the funding brought many organisations into the heart of governance in a way with no parallel to anywhere else within the UK. The Civic Forum was an advisory participatory body, built into the architecture of the Good Friday Agreement on which 60% of the seats were reserved for voluntary and community organisations. It has not met since 2002 and there is currently little interest among political parties in its revival.

This influence grew up in the context of very weak representative structures of government. Voluntary action came to fill what was seen as a democratic deficit, and of a long-standing interest by successive direct rule administrations in recruiting elements within civil society to managing the conflict.

The failure of the Northern Ireland Executive since 2007 to agree an effective cohesive and shared strategy that offered much in the way of recognition of a role for voluntary action, has deprived the sector of a context for its collective identity as a transformative agent in Northern Irish society. In reality, interest group representation that cuts across ethno-religious divisions has, as yet, never been able to overcome stronger stories of relative communal disadvantage in a zero sum politics, in which a 'gain' for one community is seen as a 'loss' for the other. There is clear evidence that many voluntary agencies are embedded in the sectarian structures of Northern Ireland society in ways that closely reflect wider social processes (Acheson et al, 2007). Few organizations have found it prudent to challenge this in order to construct effective cross-community coalitions capable of creating alternative narratives capable of standing up to zero sum political calculations (Acheson 2010). Too often, although for understandable reasons, organisations have taken a perverse pride in being 'non-political'.¹

While voluntary and community organisations have their own failings, these should be put in the context of a highly dysfunctional Northern Ireland administration in which major economic and social issues remain unresolved. The political settlement based on compulsory coalitions has solidified the power of the DUP and Sinn Fein as representatives of what are constructed as two mutually antagonistic ethnic groups, each with a power of veto, conducting politics as a zero sum game and reducing government to a 'lowest common denominator' in which difficult decisions are parked (Gray and Birrell, 2012). In place of policy debate we get the reproduction of barely digested neo-liberal nostrums. To describe this as unfruitful ground for the development of an informed public sphere would be putting it mildly.

In retrospect it is possible to argue that the peace narrative and the lavish EU funding that came with it was a blip associated with the re-establishment of the devolved structures of government, themselves hiding a deeper process of neoliberal reform of welfare institutions and the role of voluntary action within them. For all the rhetoric on partnership between the sector and government, by 2007, a funding relationship based on contracts to deliver out-sourced public services had become the main source of voluntary sector income and the foundation of how relations were actually conducted in practice. How this process occurred, which I have analysed elsewhere (Acheson 2010), is perhaps less important than that it did occur to the extent that, by 2007, funding patterns came to reflect those elsewhere in the UK very closely. Voluntary sector elites, having successfully argued for a partnership with government based on the potential of voluntary action as an agent for conflict transformation, became sucked into a partnership model increasingly interpreted by government as being about the out-sourcing of public services.

Since the re-establishment of the devolved Assembly in 2007, the process has deepened and any other recognised role for voluntary action in Northern Ireland further attenuated. The Executive's current policy on community relations and cohesion, *Building a United Community*, barely mentions any role for voluntary and community organisations and then only as a special interest group given an equivalent status with local private business interests.

¹ The term "non political" has a special meaning in Northern Ireland indicating a separation and distancing from communal identity politics

The 1998 Compact was renewed as a “Concordat” in 2011 on very similar terms to the first document (DSD, 2011). The joint government voluntary sector forum, which had continued meeting since 1998, was reconstituted and made directly accountable to the NI Assembly through a system of annual reporting, giving it a statutory basis rather akin to the Welsh Voluntary Sector Scheme. But the terms of the agreement closely reflect current assumptions about the content of relationships between government and voluntary organisations. Working groups were established to look at outcome focused approaches to funding, bureaucracy in the administration of funding, the impact of government policy on the sector and on improving the consultative structures themselves (DSD, 2013). The narrow emphasis on the management of relationships through funding based on procurement of outcomes was also reflected in a Northern Ireland Audit Office report (NIAO, 2010) and the response of the Assembly Public Accounts Committee (NI Assembly, 2012). Both of these focused on the contribution of the voluntary sector to the achievement of government objectives and, in the light of the substantial transfer of public funds, an encouragement to the sector “to look seriously at its size and functions” (NIAO, 2010, p7).

While the NIAO report acknowledges a range of roles for VCS organisations, including advocacy and campaigning as well as delivering public services, both the language and content of the activities encompassed by these processes reveal that the current NI Executive has in effect redefined partnership much more clearly as ‘partnership’ on the government’s terms (Acheson, 2013b). The current *Programme for Government* makes this clear by calling for partnership with both the private and voluntary sectors to underpin the social and economic advance, encouragement of which the government clearly sees as its primary responsibility (NI Executive 2012). Advances would be secured through a rebalancing of the economy to the private sector, a call to reduce corporation tax to encourage inward investment and a determination to infuse public administration with the values of private sector management.

Thus as the peace-making approach to partnership became emptied of policy content, something quite different has emerged in its place, revealing the Compact and the processes associated with it, to have been largely a matter of co-option to a narrative of business-like delivery of public services. This is achieved through spending decisions and the management of the money once allocated. In effect the conduct of relations with government simply ignored the principles on which the Concordat was supposedly based. As one informant interviewed in 2013 put it: *“the Concordat is a meaningless document; the whole thing was a farce and an attempt to put a gloss on relations”*.

4. Following the money

Money talks: changes in financing

Northern Ireland has followed closely national UK trends in changing patterns of funding, with two major differences. The first is the far higher level of dependence on various sources of government support; the second is the delayed impact of austerity led cuts which have been much smaller than in England, and which reflect a redistribution of funds rather than reduction. Indeed overall income from government increased substantially between 2006/07 and 2010/11.

In the UK as a whole, earned income to the third sector grew by 90% between 2001/2 and 2009/10 (Kane et al, 2014), supplanting income from donations as the largest single source of income in 2003/4 and the trend since then has been to widen to gap between the two. While the sector now sells £6.6bn worth of goods and services directly to the public, the growth has been particularly strongly driven by income earned through delivering public services under contract to the government, which increased by 157% over the same period and in 2009/10 reached a total of almost £11bn.²

The summary trend data for Northern Ireland is set out in table one. The lack of available complete datasets in Northern Ireland means that at present detailed analysis of funding trends is not possible. There are present no reliable ways of establishing the relationship between source and type of funding, size of organisation and operating industry.

Nevertheless, treated with caution, figures drawn from the series of snapshot investigations carried out by NICVA in its 'State of the Sector' series where, on each occasion, a different sample was analysed, are sufficiently striking that it is clear that something fundamental has been taking place in the financing of relations between the VCS and government; that these changes took root during the period of 'New Labour' direct rule between 2002 and 2007; and that they have accelerated since (Acheson, 2010).

Table One
Estimated voluntary sector income trends in Northern Ireland 2001/02 to 2010/11³

	2001/02	2003/04	2006/07	2010/11
Total income (all sources)	£657m	£614m	£570m	£741.9m
Total income from government (percentage of total income)	£245m (37.3%)	£216m (35.2%)	£259m (45.4%)	£392.1 (52.8%)
Government income as contracts (NI) (percentage of total government income)	£18.89m (7.7%)	£68.34m (31.6%)	£166m (64.3%)	£266.6 (68%)
Government income as grants (NI) (percentage of total government income)	£226.11m (92.3%)	£147m (68.4%)	£92.4m (35.7%)	£125.5m (32%)

Income from government has been rising both in absolute terms and as a proportion of total income. By 2006/7, income from government amounted to 45% of all income, and of this 65% was in the form of contracts. Between the years 2003/04 and 2006/07 there was an almost exact swap in the proportion of government funding that came in the forms of grants and contracts. Roughly one-third contracts and two-thirds grants in 2003/04 became two-thirds contracts, one-third grants in 2006/07. But since then, the trend has accelerated with

² UK wide figures cited in the 2014 Civil Society Almanac incorporate NI data provided by the Northern Ireland Council for Voluntary Action

³ Table and analysis reproduced from Acheson (2013) p9. Sources: *The State of the Sector VI Northern Ireland Voluntary and Community Sector Almanac*, (NICVA 2012) (from Figure 5.2, p.27), *The State of the Sector IV* (NICVA, 2005). Figures on government funding in NI prior to 2003/04 are based on estimates and no breakdown between contracts and grants is available.

estimates that government now accounts for almost 53% of all income, 68% of which was in the form of contracts (NICVA, 2012). This is much higher than the average in England, Scotland and Wales, where closer to a third of income comes from government. But the figures suggest more. Between 2006/07 and 2010/11:

- Total income increased by £172.9m (30% increase)
- Total income from government increased by £133.1m (51% increase)
- The increase in contract income accounted for £100m of the 133m (60% increase);

In other words while all income has gone up, income from government contracts as a proportion of all government income has gone up at twice the speed of overall income. The change over the past four years has thus become more intense as the slight increase in the proportion of government funds in the form of contracts from 64.3% in 2007/07 to 68% in 2010/11 masks the fact that the latter figure is a higher proportion of a significantly higher sum.

Assessing the impact

These figures show that relations between the VCS and government in Northern Ireland are undergoing radical change, underpinned by a large-scale out-sourcing of public services to providers within both the voluntary and private sectors, and accompanied by a switch from grant in aid to commissioning through procurement.

Because of the substantial jump in government funding of the sector since 2006/07, overall cuts in public expenditure have had less of an immediate impact than they have had in England, Nevertheless, they are having an impact. Over the spending review period to 2015, the Northern Ireland budget is set to reduce by around 8% in line with public expenditure reductions across the UK as a whole; in some areas of policy, budgets have been frozen for up to five years and in others annual uplifts are well short of the rate of inflation, creating significant cost pressures. In order to protect the health budget (growing at 2% a year) other departments are facing cuts of between 2.1% (Education) to 11.6% (Regional Development). There are indications that there will be further substantial budget cuts across all government departments in the next government funding round from 2015 to 2018 and, in the absence of local political agreement over extending the 2013 UK Welfare Reform Act to Northern Ireland, these cuts are likely to be even more swingeing. A more generous social security system, missing the 'Bedroom tax' and retaining Disability Living Allowance, for instance, will be paid for by reductions in the block grant from the UK Treasury.⁴ The shortfall will be passed on to local departmental budgets.

Budgetary restrictions are having a further impact in encouraging the move away from a model of funding, whether grant in aid or contracts for delivery of specified services, that was based on identifying the strengths of specific voluntary organisations as being right for the job that needs doing (so-called 'intelligent commissioning') to a process of commissioning services from any willing provider through public procurement. The speed of

⁴ The subvention meets the difference between the cost of public administration in Northern Ireland (minus social security) and the total tax raised. Unlike in Scotland and Wales, social security is a devolved matter in Northern Ireland and hence any reforms require separate legislation in the Northern Ireland Assembly. Social security expenditure comes directly from the Treasury however. Where this is more generous than elsewhere in the UK, the Treasury will claw back the difference from the block grant, reducing the Assembly's budget.

the change varies considerably between government departments and it remains difficult to form an overview. No public information is currently available on the overall numbers and size of procurement contracts for the delivery of public services by both private and voluntary sector providers.

'Intelligently commissioned' grant supported service agreements with voluntary agencies are still widespread, however, although these are frequently themselves subject to competitive pressures. For example, there is evidence that plans to introduce procurement to services funded by the 'Supporting People' programme have been shelved at least for the time being. But private contractors are gaining ground.⁵ The delivery of the Northern Ireland version of the GB 'Work Programme', 'Steps to Work' has just been let to two private sector providers based outside Northern Ireland. This replaces ten sub-regional separate contracts that had been held by three colleges of further education, four local voluntary organisations and three private companies, two of which were locally owned and managed.

The bundling of services into single big contracts has become a more prevalent feature of funding arrangements, forcing new forms of partnership on agencies providing similar services, or where procurement is used, and turning former collaborators into competitors. Since 2010/11 this has affected regional advice services and regional infrastructure organisations, in both cases accompanied by a sharp decrease in the available budget, debt advice and social housing. In the case of debt advice, the two regional advice networks, the Northern Ireland Citizens Advice Bureaux and Advice NI were precluded from submitting a joint bid because of the way the tender document was drawn up. Instead they were forced to compete. Interestingly, in this case Advice NI won the tender despite the presence in the competition of the UK private sector public services giant, A4E.

In practice the changes in relations between the voluntary and community sector and government are having the most impact on those organisations that are most dependent on government for their income. These are not necessarily big organisations. Analysis by the government itself into the pattern of funding from government departments and agencies suggests that over 70% of awards are for £30,000 or less. Only 2% are for sums of £500,000 or more (DSD, 2013b).⁶ With the exception of 'Supporting People' which, with a frozen budget of £64m a year, remains the biggest single source of voluntary sector funding (apart from capital grants to Housing Associations), much government funding is spread through many quite small organisations. The lack of consistent evidence makes it hard to reach firm conclusions, but the preponderance of small organisations suggests that budget reductions and changes to the ways in which the funding relationship is managed is likely to have a profound effect.

5. A destabilizing environment

The exceptionally high levels of dependence on government sources of funding sets voluntary action somewhat apart from other parts of the UK, and makes it relatively more

⁵ Health and Social Care (a combined function in Northern Ireland) currently manages about 1200 contracts with suppliers worth more than 750,000 euros each, but most of these will be for equipment and other supplies

⁶ Incomplete data at the time of analysis means that these figures do not include Health and Social Care; estimates by NICVA that this constituted just 12% of total government funding are likely to be an underestimate.

vulnerable to changes in government priorities and government thinking. The rapidly increasing pace of these changes is reflected in emerging evidence on the extent to which individual organisations are starting to struggle and the degree to which the Northern Ireland administration is turning away from viewing voluntary organisations as bringing anything of value to the quality of public life, over and beyond delivering public services to a pre-determined script.

Until recently, debate about the implications of these changes in Northern Ireland has been more muted than in England in particular. But more recent evidence reveals the rapidly destabilizing impact of current changes. The evidence points to a number of key pressure points or themes:

- The switch to building relationships on the basis of public procurement models from a trust-based partnership model;
- Relationships with government and between organisations are becoming much more transactional and functional, and less collaborative;
- The need to drive down costs is making collaboration harder and forcing organisations to become much more competitive;
- An ideological turn in some government departments towards a much narrower and more instrumental view of the role of voluntary organisations in public policy, driven in part by the role of political advisors and in part by what one informant identified as the ideological preferences of civil servants;
- An atmosphere of fear and timidity among organisations, coupled with a lack of capacity to develop new stories on what voluntary action is for.

The combination of tightening budgets and the preference for procurement-based funding is having a number of identifiable consequences. Greater competition is reducing trust among voluntary agencies with smaller organisations, in particular, becoming wary of bigger ones with more resources able to compete for bigger contracts - *“There is a sense of domination by bigger organisations”*. Larger organisations start to look like an arm of government responsible for managing performance by lower tier organisations. This was becoming an increasing issue for some caught up in a supply chain funding model. Being accountable to other voluntary organisations for performance was fundamentally changing relations within the sector.

At the same time, funders were insisting on collaborative arrangements that might not suit the organisations being told to collaborate. Organisations have found themselves doing things that they might not have otherwise chosen to do. Mission drift becomes an increasing problem as organisations *“find themselves jumping to the government’s fiddle more and more”*. This is a creeping process, often taken in very small steps, each of which at the time felt like the right thing to do. One informant said: *“We didn’t plan it; it just happened. But if you don’t grasp opportunities you are lost”*. There was a strong sense that, as alternative sources of funding become harder to get, organisations were being left with few choices if they were to survive.

Mission drift is compounded by a creeping business orientation as organisations lose the ability to be more creative and innovative, having to work to narrow contract specifications over which they have very little control. Tenders were being increasingly tightly specified with very little pre-engagement with the organisations likely to deliver those contracts. This was not simply a problem of being subject to external regulation. The real problem,

according to one informant was being subject to regulations that were set without reference to organisations' knowledge and skills:

"Independence is becoming more and more eroded, with imposed activities that may not fit with organisation values, whose very structures are being dictated by people outside the sector".

Informants in the interviews conducted between 2011 and 2013 varied in their views on the nature of the ideological turn in government. In part it was seen as a question of civil servants seemingly feeling free to express their own ideological preferences, in the knowledge that they would not be contradicted by their Minister; another informant thought the problem was more a matter of an unwillingness to make judgements based on evidence, a lack of capacity and competence in the civil service. One informant linked this problem with the switch to the use of procurement rather than grants as the main method of funding voluntary agencies by government. In the absence of any viable policy framework supporting a broader overall purpose of support for voluntary organisations, it was just easier to use public procurement, with the added advantage of making it easier to defend decisions.

These responses reflect what appears as a clear ideological shift in thinking among senior government officials about the role of voluntary action. Without any vision of a wider role for voluntary action, some civil servants appeared free to dismiss all but the narrowest conception of its potential contribution, and were much more interested in cost issues than any specific contribution or insight from voluntary agencies they were negotiating with. Matters of service quality were instead left for formal quality assurance regulation rather than trust in voluntary sector service providers to know what they were talking about.

A perceived lack of interest among civil servants in receiving policy advice from specialist voluntary agencies, used to relationships built on respect for their knowledge, was seen as a particular difficulty. One was reported as questioning why *"voluntary organisations, paid for by the public purse, dared to come in and challenge what the Minister said"*. Another informant commented:

"It becomes increasingly difficult to have any meaningful dialogue or partnership working because the gulf between how we think and how legislation and policy is being driven becomes wider and wider with less and less meeting of minds...I have been astonished at how political civil servants are. There is no way that some of the direction of travel and some of the things that have been said can be taken as objective and not coming from a particular ideological position...I've heard some quite scary things expressed, particularly in respect to welfare reform"

One consequence, another informant suggested, is that the wider benefits he identified as flowing from voluntary action (such as increasing stocks of social capital, and encouraging active citizenship) are being taken for granted, but would be lost by default as organisations become more like the private sector, or fail. In the face of these pressures, the lack of capacity to develop a compelling story supported by evidence reinforces the process. Underlying this is the way that the regulation of service quality and contract compliance was challenging the ability of organisations to work unfettered in particular ways and in accordance with their mission. In the words of one informant: *"we are being micro-*

managed by funders who are not professionals, in ways that are not appropriate and sufficiently sensitive”.

The rapidly changing funding environment driven by an administration preference for a combination of out-sourcing public services while exercising maximum control over costs and targets, coupled with the lack of alternative sources of funding is thus creating huge pressures. In this environment organisations are finding it very difficult to collaborate over wider social goals and create alternative stories over the value of independent voluntary action to the public at large or to Members of the Legislative Assembly.

But the evidence also points to another more deeply rooted issue that affects the capacity of voluntary agencies to do this. A legacy issue that has roots in a past history of government reliance on the voluntary sector in Northern Ireland in conflict management and transformation - what one informant called the *“ego of the sector”* - was accompanied by what he felt was complacency and a sense of entitlement. This left organisations finding it hard to think strategically and particularly vulnerable to pressure from government to fall in with an outsourcing and contract culture, leading to caution in the face of fear of financial pressures.

In addition, informants identified timidity amongst organisations in the face of the nature of sectarian politics. There was a fear of politicians and what they could do to organisations. This was a particular issue at local level where representatives of political parties were seen as well-integrated into local organisations and very controlling, creating a back-channel to politicians at regional level which organisations had very little control over. There was recognition that the communally based political parties in control of the Northern Ireland Executive had an interest in keeping local voluntary action in line with communal definitions of social problems. This background reinforced fear and anxiety about being seen to speak out of turn.

This freeze effect on the willingness of organisations to speak up, risked a situation where the *“Assembly grows up thinking there shouldn’t be any voice from civil society”*. A weak and dependent sector, in this view, would simply allow sectional and powerful interests to influence legislation in their own interests and not necessarily in the interest of the wider society.

6. ‘Lenin’s Useful Idiots’ or Fighting Back?

Cynics might say that voluntary organisations have put themselves in a position where they simply serve as *“Lenin’s useful idiots”*⁷ becoming another unwitting vehicle for radical neoliberal reform of public services. The evidence suggests, however that, viewed from within, there is a profound sense both of discomfort and disempowerment among many, reflecting a loss of belief in their capacity to effect change in line with mission. The level of dependence on government funding has left VCS organisations very vulnerable to these destabilising forces. Although there are voices that are questioning the implications of what is happening, with diminishing resources or opportunity to generate new narratives about

⁷ There is no evidence that Lenin actually ever used the phrase. It originated as a term referring to well-meaning left leaning people in the ‘West’ who gave rather uncritical support to Stalinist Soviet Union, but later came to refer to the unwitting acceptance of any ideologically driven change.

what voluntary action is for in current circumstances, it is difficult to identify sources of potential resistance.

Significant cuts in core funding to regional infrastructure organisations is effectively stripping out most of the independent research capacity, unless clearly focused on developing methods of outcome measurement. Both NICVA and Volunteer Now, the regional volunteer support organisation, have lost up to half their core funding and have responded by making research staff redundant. (The future of NICVA's biennial 'State of the Sector' is unclear). A lack of research capacity means less capacity to influence policy and loss of evidence of how the current changes are affecting the nature of voluntary action, leading to loss of intelligence on what it might do in the future.

The search for solid ground on which to stand in this unstable environment is a preoccupation for many organisations, but it is only beginning in terms of a wider debate about the future of the voluntary and community sector and what its broader contribution to the social and economic development of Northern Ireland might be. One interesting initiative has been the Building Change Trust, an endowment of £10m, mostly from the Big Lottery Fund, to be spent over ten years in assisting voluntary action adapt to the new times. Much of the work has been focused on 'capacity building', helping organisations cope better in the new circumstances. Halfway through its allotted life span, £1m has now been set aside for a programme entitled, "*Space for Civic Thinking*". This is in recognition of the lack of an effective forum for organisations to reflect on what is taking place and think through the possibilities of contributing to a revived public sphere. Initiatives like this are few and far between; until they begin to enable greater critical engagement with the underlying issues, it is hard to judge the extent to which voluntary action in Northern Ireland can chart a different sort of future.

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The author



Dr Nick Acheson is a lecturer in social policy in the School of Criminology, Politics and Social policy and at the Institute for Research in the Social Sciences, University of Ulster. His research interests focus on welfare social movements and the development of the role of voluntary action in contemporary welfare states. He has published widely on both jurisdictions in Ireland and on Canada.

N.Acheson@ulster.ac.uk