

A DECADE OF CIVIL SOCIETY UNDER NEW LABOUR
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by
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‘Bliss was it in that dawn to be alive,
But to be young was very heaven’

The French Revolution as it Appeared to Enthusiasts, William Wordsworth,
1809

The Mood in 1997

At least two common features link France in 1789, the UK in 1997 and the USA in 2008. The first of these is the feeling that an outmoded, incompetent and not very savoury *ancien regime* had been consigned to the dustbin of history. Secondly, in the euphoria that accompanied this act of cleansing the body politic, there was a new optimism that, to remind us of the New Labour anthem, “things can only get better”.

The landslide victory for Tony Blair and New Labour in 1997 was made possible by the widespread belief that the outgoing administration led by John Major had reached the end of its useful life; it was seen as tired, divided against itself and – if not actually corrupt – tainted by association with “sleaze”.

At the same time, the idea that better things could be expected from a new, fresh and youthful Prime Minister and a party that had been reformed to meet the needs of the times was accepted at face value by those who had not examined New Labour’s credentials very carefully.

Among the many expectations raised by the election of a new administration were three that were close to the hearts of people engaged in the institutions of civil society. These aspirations were:

- A renewed commitment to greater social justice and an attack on poverty and inequality;
- The development of a more open, transparent and democratic society; and
- A better understanding and recognition of the role of civil society.

My talk will briefly review the extent to which the first two of these expectations were met before giving more detailed attention to the third of them and concluding with an attempt to bring the three themes together and draw out some lessons for civil society.

Social Justice

While New Labour has set ambitious targets for eradicating child poverty and has introduced a national minimum wage, it has not been able to make the kind of impact

on inequality many had hoped for. Last week, a report published by the Rowntree Foundation not only cast doubt on the government's ability to meet its target of cutting child poverty by 2010 but also suggested that the strategy of relying on moving parents into work to lift families out of poverty was being undermined by low wages.

Britain overall has become a richer society – or had until the credit crunch and recession bit – but the growing wealth has not been equally shared. The gap between rich and poor has widened: by 2010 the richest ten per cent were on course to own 30% of our total wealth while the poorest owned 3% of it – the same proportion as in 1996. 17% of households receive less than 60% of the median disposable income. The provision of social housing has not kept pace with need with 1 in 13 families on a waiting list and the quality of health and educational services is still largely dependent on where you live.

A Free and Democratic Society

New Labour has been responsible for two landmark pieces of legislation. The Human Rights Act (1998) which entrenched the provisions of the European Convention on Human Rights into English Law and the Freedom of Information Act (2000) which gives citizens the right to access information from public bodies.

On the other hand fear of terrorism and fear of crime and disorder have fuelled a whole series of measures which can be seen as threats to liberty. And many of them have been made possible by the development of the technologies. The state holds increasingly detailed and extensive data about individual citizens and wants more. The New Labour government is stubbornly committed to introducing identity cards despite the cost, the concerns that have been raised about the security of the technology involved, and the ways in which they will infringe our civil liberty.

A second broad area of concern is the encroachment on public spaces and restrictions on the right of assembly. In the first place the Government has introduced a series of measures to limit the ability of its citizens to demonstrate; there is an exclusion zone around the Palace of Westminster to ensure that our legislators are not inconvenienced by those who wish to express their opposition to what is being done in their name. And it is now unlawful to take a photograph of a police officer. And, while it becomes increasingly difficult for us to hold our leaders to account, we are increasingly living in an “endemic surveillance society” by a government which is determined to eradicate “ungoverned spaces”.

Thirdly, New Labour has continued and accelerated the trend which began under the preceding conservative administrations of concentrating power at the centre and emasculating local democracy and vesting authority in unelected agencies with no clear accountability to the citizen.

And, finally, the government has shown scant respect for the human rights of asylum seekers who are routinely returned to countries where there is a real danger to their liberty and their lives and none for those it suspects of being its enemies who can be detained for four weeks at the discretion of the security services.

Government and Civil Society

High expectations about the new government's policy towards civil society seemed to be especially well-founded. While in opposition, New Labour had conducted a thorough and sensitive process of consultation with the voluntary and community sector. And it had committed itself to implementing key recommendations of the Commission on the Future of the Voluntary Sector including the agreement of a Compact (as it became) which would define the "rules of engagement" between government and the sector.

What government has done

The Compact:

New Labour lost little time in reaching agreement with representatives of the sector on the terms of the Compact. This involved undertakings on the part of the government to, among others:

- Recognise and support the independence of the sector;
- Consult the sector on issues that were likely to affect it; and
- Promote effective working relationships, consistency of approach and good practice between government and the sector.

In return the sector's representatives undertook to (again this short list is cherry-picked):

- Maintain high standards of governance and conduct and meet reporting and accountability requirements;
- Develop appropriate quality standards; and
- Put in place policies for promoting best practice and equality of opportunity.

A recent study has concluded that it is "difficult precisely or even imprecisely to measure progress in developing and implementing the Compact" as means of ordering relationships between the state and the sector at central and local level. It may be an over statement to describe it - as the NCIA has - as "a failed initiative": they suggest that the "problem has been that it doesn't work. When the local authority wants to screw you, it will do it anyway, Compact or not." But the sequence of reviews we have witnessed - each suggesting improvements to its working - suggests the Compact has not made the expected impact.

Key policy themes

We can distinguish four policy currents that have shaped the way government has engaged with civil society since 1997.

Public service delivery: New Labour inherited from its predecessors the perspective that the value of the voluntary sector lay in the contribution it could make to delivering public services. But there has been a qualitative change in how that involvement is seen. The idea of public service is no longer applied only to services delivered by governmental or quasi-governmental agencies but to any activity funded by the government or seen to be contributing to government objectives regardless of the provider's sector location.

The Hegemony of Market Values: again, New Labour has elevated the values of the market and the importance of the "business" model to new heights. Some of the

wider manifestations of this are the huge sums spent on management consultants and the incredible economics of the Private Finance Initiative. For the voluntary sector it has meant a shift from the so-called contract culture to the commissioning regime – which is so demanding a science for governmental agencies that practise it that you can take a Masters degree in it at Birmingham University.

Partnership: A third key theme in New Labour policy has been an emphasis on partnership and collaboration between government and both the voluntary and private sectors. For its supporters this approach is common sense – social need can best be addressed by the combined efforts of all three sectors. For its critics it is another means of inhibiting criticism and dissent. Andy Benson has written of the hard fist of commissioning in the soft glove of partnership.

Communities: the fourth these policy strands is the focus on communities as the level at which social problems can best be tackled. There are two problems with this. First, it is arguable that problems such as social exclusion need structural or strategic responses. Alternatively, if they can be addressed locally, then it should be left to those on the ground to choose how they go about the task rather than working within a tight framework imposed from the centre. Small community-based organisations are, moreover, incidental victims of the process – sucked into local collaborative arrangements where they will always be junior partners and brought under pressure to change the ways in which they work and the way in which they are organised to meet the convenience of others.

Capacity-building and the pursuit of effectiveness: The final element in this brief review of New Labour's actions during the past decade or so is the substantial investment they have made in attempting to enhance the effectiveness of voluntary sector organisations on the one hand and to "modernise" the sector's infrastructure. It is very difficult to find anyone in the sector who believes that this was money well spent and this abundance of anecdotal evidence is supported by the recent report from the National Audit Office.

Impacts

What then have been the main impacts of these activities on the sector – and on civil society

Loss of distinctiveness: the first concern is that it has led to a weakening of the distinctive identity of the sector and the loss of many of the distinctive features of voluntary agencies. In order to compete successfully for commissions and to participate as equals in government-led partnerships voluntary sector organisations have increasingly adopted the values and practices common to the bureaucratic entities in the other sectors. This has led to more formal and inflexible working practices and the replacement of the expressive function (what we stand for and how we do it) by the purely instrumental (what - and how much of it - we do).

Loss of independence: at the same time they have lost much of their independence of voice and action. In some cases, this has been a direct consequence of their increasing dependence on the state for resources. But much of the impact has been less direct and more subtle. Partnership offers the seductive prospect of insider status from which vantage point it is very difficult to rock the boat when outmanoeuvred at the negotiating table. And so much of the rhetoric suggests a commonsensical view of the world: there are too many voluntary organisations vying with one another and greater efficiency is to everyone's advantage.

Splitting the sector: the effect of the government's programme has been to divide the sector. Only the larger organisations which are seen to be "more professional" and "better organised" will be able to compete successfully under the commissioning regime or will have the time and knowledge to be effective as partners of government. For those for whom the penny is taking a long time to drop, at least one local authority in London has openly stated that it will in future only deal with a handful of organisations who are large and professional enough to be of use to them – and most of these are branches of national bodies. Similarly, the Housing Corporation has decreed that only a handful of the largest Housing Associations will be funded to develop new housing while the role of the majority will now be limited to managing what they already have. Much of the sector is effectively being excluded from any significant role in meeting social need. And we need to remember that the voluntary sector is only a part of the much wider set of institutions that is civil society out of which the sector was carved out some thirty years ago.

Above all, the government's actions have been underpinned by two fundamental misconceptions or misunderstandings.

The first of these is a misunderstanding of the *nature of voluntary action and civil society*. They fail to grasp that it is essentially ungovernable; it is many headed and each of its manifestations has a very specific reason for existence and a unique set of characteristics. Civil society cannot be "rationalised" and its institutions cannot be harnessed to the government's cart without the loss of all that is important about them.

The second is the choice of the *wrong organisational model*. A critique of the prevailing model in the corporate sector has been developed over the past few years – even before the collapse of the banking system revealed in dramatic fashion the inadequacy of corporate governance. In a series of articles in the Observer, Simon Caulkin has summed up the alternative to organisational structures which are based on command and control and which look up towards a promethean chief executive. The new model involves facing outwards towards the customer rather than upwards to the chief executive and needs a good deal less in the way of hierarchy because organisational discipline is exerted by the customers and he need to meet their

requirements. It is strangely reminiscent of those voluntary agencies I used to know before they were subject to so-called “modernisation”.

A Growing Band of Critics

The Conservatives

It is hardly a surprise to find Her Majesty’s Opposition among the growing band of those who are critical of New Labour’s approach to managing its relationship with the voluntary sector. But, given the cross party consensus that the sector is a good thing (in the motherhood and apple pie category), the hard-hitting nature of the critique in the conservative party’s Policy Green Paper – *A Stronger Society* - is remarkable. It accuses the government of treating voluntary agencies as “bodies that are to be instructed, rather than trusted’ and not as partners but as servants. Instead of keeping in mind “Beveridge’s key insight that people and organisations are more ‘vigorous and abundant’ when given the freedom to act on their own initiatives” it has used “targets, directives, legislation, inspection regimes and conditional funding ... to operate in the approved way”. As for ChangeUp and other attempts to build the sector’s capacity they believe that “millions have been wasted as a result of these debacles”. The paper is somewhat less forthcoming about the policies the conservatives themselves would adopt but they are clear that they would base them on the part of the Hippocratic Oath that set out the key principle of “first doing no harm”.

The Carnegie Inquiry

A second set of concerns can be found in the report of the Carnegie UK Trust’s Inquiry into the Future of Civil Society. This discusses civil society on three dimensions – as the pursuit of the good society; as spaces for interaction; and as associational forms of activity. As well as grave concerns about the threat to public spaces (largely from the corporate sector) the report points out that the increasing alignment of voluntary sector organisations with public service delivery has narrowed the range of opportunities for associational activities both generally and, more specifically, has reduced the opportunities for people to become involved as volunteers are increasingly replaced by paid staff.

The National Coalition for Independent Action

Growing concern about the direction of the government’s engagement with the sector and anger at what they see as the complicity of voluntary agencies and their leaders in the co-option of the sector has led to the formation of a National Coalition for Independent Action.

It describes itself as: “an alliance of organisations and individuals who have come together out of frustration and anger to object to the state of UK Voluntary and Community Sectors. We believe there is a crisis in our ability to act independently from Government and other powerful interests, and to be part of the checks we need within our democracy.

We aim to mobilise, support and work with those who share our concerns; to combine to expose and resist the current direction of travel; to have our own agendas; and to become actively involved in dissent where this is needed.

Concluding Remarks

After a decade and more of New Labour the need for a healthy and vigorous civil society is clearer than ever. Overall the government has signally failed to create a better, more just and more democratic society and the need to address inequality and injustice is as strong as ever. At the same time, the impact of New Labour's policy towards the voluntary sector can be seen as neutering the ability of voluntary agencies to address that agenda. Some of the sector is fighting back through the work of the NCIA and in other ways. Fortunately, however, civil society provides a broader basis for tackling the continuing problems of our society and we, as researchers, would do well to lift our vision above the construct of the voluntary sector to this wider field. And there are places to begin: at a national level we can look at the development of the Convention on Modern Liberty; at local level there are more or less organised campaigns to prevent the deportation of asylum seekers who have become respected members of local communities; and independent advice centres in Hackney and elsewhere are resisting attempts by the state to decide for them what kinds of advice they should be providing and to whom. Civil society has begun to fight back!

In some respects, too, we appear to be entering a period in which, once again, there is a growing mood of dissatisfaction and disillusion with the government; Like France in 1789; Britain in 1997; and the USA in 2008 we can detect a groundswell that may sweep away the ancien regime. What we don't share with them, however, is a belief that things are about to get better – it is not bliss to be alive in the UK in 2009.

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