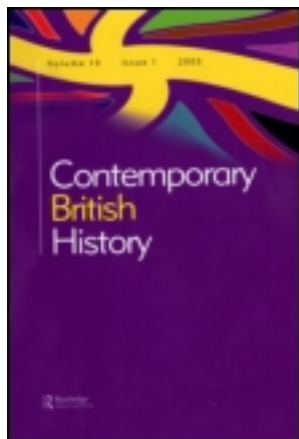


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# Introduction: The Voluntary Sector in 1980s Britain

N.J. Crowson

*This is an abridged and edited ‘witness seminar’ that was convened to discuss the voluntary sector in 1980s Britain. Witnesses were drawn from the voluntary sector and the civil service and included Nicholas Deakin, Julia Unwin, Michael Brophy, Richard Fries, Stuart Etherington, Jerry White and Justin Davis Smith.*

*Keywords: Thatcherism; Voluntary Sector; Charity; Conservative*

With the Cameron government seeking to encourage a new generation of volunteers to participate in a ‘Big Society’, it appears opportune to examine how a previous Conservative administration perceived voluntary action. The purpose of this witness seminar was to reunite key players from the era of the 1980s and ask them to consider what the relationship of the voluntary sector was to the Thatcher administration. In particular, they were asked to question whether the label ‘sector’ should be applied to the decade, to explain how voluntary groups related to local government and to examine the means by which the sector sought to both influence and exercise power.

The 1980s have been described as a ‘social policy revolution’ that placed the voluntary sector at the heart of a ‘mixed economy of welfare’. It saw a major rethink about the nature and extent of the state’s contribution to social welfare and witnessed a renewed concern for voluntary and community action. Against this backdrop, the Conservative’s 1983 general election manifesto rejected the notion ‘that the State can and should do everything’.<sup>1</sup> The answer appeared to rest with voluntary action, and therefore government needed to find the means of unleashing that potential. As a 1986 Home Office report declared, ‘society benefits if all those who can play some active part in responding to common needs, or the needs of those disadvantaged or less fortunate, are encouraged or enabled and are not prevented from doing so’.<sup>2</sup>

The language here is so similar to the present-day rhetoric of the Big Society that there is clearly much to be learned from the experience of the voluntary sector in the

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1980s. In what follows, issues about resources, funding, independence and the whole relationship between government and civil society were as pertinent then as they are today.

### **Background and Context**

The Thatcher government had been elected on a promise to reduce public spending. Social security expenditure took the largest proportion of the public purse at over 30 per cent for the years 1983–1984. Questions arose from within government as to whether the harnessing of the voluntary sector to provide social welfare provision could in turn reduce central government expenditure, cut back on bureaucracy and provide efficiency savings. The Thatcher government also wished to end the so-called ‘dependency culture’ whereby individuals became dependent upon the State for their education, health and pensions. The Thatcher years witnessed an accelerating programme of privatisation and, after a slow start, of public sector ‘reform’. Here there was a particular emphasis on the market as the most efficient and effective means of delivery and the identification of individual interests as best expressed through the market, most notably as consumers. This was the policy context within which the voluntary sector had to operate over the decade—and beyond.

The voluntary sector entered the 1980s having undergone significant changes during the 1960s and 1970s.<sup>3</sup> The 1960s had witnessed a new generation of volunteers who entered existing organisations and formed new ones.<sup>4</sup> There was a move towards greater professionalism, as a whole new group of campaigning bodies such as Child Poverty Action Group (CPAG) and Shelter challenged the parameters of the relationship between government and the established voluntary organisations. Old habits of deference and unwillingness to challenge authority appeared to have been lost. Some organisations, such as Barnardo’s, that had previously been universal providers adopted new, more selective roles. Others that had pioneered social provision found themselves increasingly incorporated into the statutory provision role whilst still retaining a notional organisational independence. The period also witnessed the rise of a new wave of service providers whose activities included not only casework but also campaigning. From the early 1970s, direct government funding for the voluntary sector began to increase rapidly, particularly with funding from the Home Office’s Voluntary Service Unit (VSU). For the ‘umbrella groups’, which the 1979 Wolfenden report identified as crucial to the sector’s future development, this made the challenge of balancing their members’ needs with the ideological commitments of local and national government all the more daunting.<sup>5</sup>

### **The Conservative Perspective**

Even before the Conservatives came to power in 1979, it had been evident that they disliked the notion of ‘provider power’ as epitomised by the public sector unions and were distrustful of the ‘bureau-professionals’ such as social workers and teachers.

However, it is less clear what their position would be regarding the voluntary sector, and it would not be until after the 1987 general election that it seems they had a clearer sense of what the voluntary sector could do and the means by which they could seek to channel its capabilities. Nevertheless, underpinning all the developments during the 1980s were three core concerns: the need to revive philanthropy, the need to improve standards of management and accountability, and the need to encourage individual action.

The Conservative stance on the voluntary sector can be seen in the early 1980s in its criminal justice policies. Victim support in the 1980s was one of ‘the fastest growing area[s] of voluntary-sector provision’. The National Association of Victim Support Schemes was established in 1980 with 67 schemes nationwide dealing with 14,000 referrals: 12 of these schemes had been created by voluntary organisations and a further 10 by Church personnel. By 1986 there were 293 schemes and 185,000 referrals.<sup>6</sup> From 1987, Victim Support began securing core funding from the Home Office and registered itself as a charitable company. Rape Crisis Centres were also another example of the voluntary sector performing a provision role. Prison and rehabilitation services also co-opted the voluntary sector. In 1981–1982, the Home Office’s VSU allocated grants ranging from £420,000 to the National Association for the Care and Rehabilitation of Offenders to £920 to the Hull Prison Visitor Centre.<sup>7</sup>

The government’s stance could also be seen in its inner city policy implemented by Michael Heseltine. This work superseded the previous Urban Programme as well as the grant regime established by the Department of Environment, which had been very important for many smaller voluntary organisations. Unemployment was the pressing issue of the 1980s and the Thatcher government turned to the Manpower Services Commission (MSC) under David Young to seek to resolve this. Young drew upon his knowledge of the activities of the Jewish charity, the Organisation for Rehabilitation and Training (ORT), as a model and sought to co-opt the voluntary sector into the MSC’s programmes most notably the Community Programme. The sector was reluctant to be drawn into an issue that was clearly a ‘political’ matter, but as Young’s memoirs record his officials worked

unceasingly to overcome the hostility and suspicions of the voluntary sector. They spoke at meetings up and down the land often seven days a week. They were so successful that in the end the voluntary bodies adopted the programme as their own and would not be parted from it. [...] At its peak the Community Programme was to have over 200,000 people working in it.<sup>8</sup>

The scale is clear. When the Community Programme closed in 1988 over half of its projects were provided by voluntary organisations. Even more starkly, the MSC provided 20 per cent of the funding for the voluntary sector during the 1980s, of which 72 per cent was channelled through its Community Programme.<sup>9</sup>

Just as commentators have questioned whether there is an ideological underpinning to the Big Society similar questions were raised of the 1980s. Through the 1980s two strands of Conservative policy and thinking would develop. Firstly, and more

generally, the move from grants to contracts and the imposition of the so-called 'contract culture' was central. Secondly, the emphasis on individual volunteering was paramount too. There were attempts to articulate what was considered to be the role of the individual as a volunteer. In January 1981, Thatcher addressed the WRVS (an organisation that by 1980 was entirely reliant on central government grants for its core funding) declaring:

That the only effective way to reach all those who need help is through the voluntary service of millions of individuals who do what they can because they want to. And, however, much money we have and, however, rich Britain becomes there' no way and no budget which could produce statutory services to meet the needs which as volunteers you now satisfy.

Continuing, she explained:

The vitality of voluntary organizations would be sapped if they were to ever make themselves creatures of Government. So our role, with the voluntary organizations, is to help you to do the administration and work of mobilising this enormous army of volunteers which can do the work throughout the community in a better way than anyone else can.<sup>10</sup>

It appears from this speech that Thatcher was thinking less of voluntarism as an 'organisational' experience, but rather as an 'individual' pursuit.

Trying to develop this line further into a coherence that could explain much of the Conservatives' policy initiatives, Douglas Hurd, as Home Secretary, in February 1988 articulated the view that social cohesion and the creation of wealth were the two conditions necessary for 'our future progress'. The acquisition of wealth was a necessary precondition to allow people to fulfil their duties as 'active citizens'. This was developed further in a *New Statesman* article in which he developed Edmund Burke's notion of 'little platoons'. Hurd argued that there was a strong tradition of voluntary and public service the strengths of which lay in its flexibility and effectiveness. This had the potential for 'good stewardship within the public services', which his biographer categorises as an attempt 'to place a High Tory gloss on the Government's controversial reforms to education, health, housing and crime prevention, by saying that they were improving the efficient delivery of public services and devolving power downwards to the people'.<sup>11</sup>

### **The Voluntary Perspective**

It was not just the politicians who were seeking a role for the sector. By the late 1970s the sector itself was reviewing its future development. It appeared to be one that involved less, not more, association with the state. The NCVO's Gladstone report, *Voluntary Action in a Changing World*, called for a 'radical welfare pluralism' which would end the relationship with the state and instead develop self-help and community action. Also, individuals such as Stephen Hatch and Roger Hadley were

calling for a break from the state and arguing that resourcing of the voluntary effort could be found elsewhere.

Yet, despite this the voluntary sector was drawn into the provision of services by the State, and once co-opted many found themselves locked into that relationship as they were confronted with increased needs for funds and increasing demand for their services. As the witnesses testify in what follows it meant that any sudden change in governmental funding priorities could spell disaster for organisations that had become overly dependent upon particular revenue streams.<sup>12</sup> This relationship did not go unchallenged and it is clear that individuals within the voluntary sector were unhappy and anxious that they were being politically compromised by being seen to deliver politically motivated policies. Such concerns were hardly relieved retrospectively by ministerial level revelations.<sup>13</sup>

During the 1980s, the NCVO had to balance the needs of voluntary organisation membership and the stricture of government. Its membership of affiliated organisations grew steadily during the decade. Under successive directors, Nick Hinton and Usha Prashar, the organisation sought to influence government policy and was in regular contact with 75 civil servants and 13 government department and related quangos. At the same time against a background of recession and further cuts to funding (both central and local) the NCVO sought to foster improved 'good practises' in relations between both the voluntary sector (local and national) and government (local and central).<sup>14</sup>

The scale of the sector ought to be considered too, because it indicates both the expansion fuelled during the 1980s and also the economic significance of the sector. Registered charities increased from over 132,300 in 1980 to over 171,000 in 1990. The assets of 'general charities' were calculated as being in excess of £30 billion in 1980 and that figure has tripled in the decades since.<sup>15</sup> Estimates of the numbers in full-time paid employment in the voluntary sector ranged from between 1.7 per cent and 4 per cent of the whole workforce in 1990.<sup>16</sup> Health and social care organisations accounted for 20 per cent of employment in the broader voluntary sector and 14 per cent of the sector's total income.<sup>17</sup> But alongside the full-time staff, there was a whole army of unpaid helpers. As the SCPR/Volunteer Centre survey of 1981 found, 44 per cent of the population undertook voluntary work averaging 2.7 hours per week—a figure that had grown a decade later to 51 per cent.<sup>18</sup>

### **Relationship with Local Government**

As will be clear from the witness testimony, to dwell on the national relationship would be a mistake. Local government was often at the forefront of the 'experience' of the voluntary sector. It is estimated that whilst local government support for the voluntary sector increased significantly from the mid-1980s, despite the financial restrictions imposed from central government, local government funding of the voluntary sector still remained small (between 2 and 8 per cent depending upon which definitions are applied).<sup>19</sup> However, local government could stretch the value of its grant aid to

voluntary organisations by 'hidden aid' (such as reduced rental on premises, reduced fuel costs, access to central purchasing, etc.) and it is estimated that this could stretch total grant aid by as much as 50 per cent.<sup>20</sup> However, the voluntary sector and local authorities could find themselves in direct competition to provide services, and consequently some local authorities developed a wariness of the sector 'sometimes bordering on open hostility'.<sup>21</sup> On the other side left-wing councils had co-opted politically acceptable voluntary bodies into a 'rainbow coalition' which sought to resist the strictures of central government. This in turn provoked a response from the Central Government which sought to restrict these activities through funding capping, the Audit Commission and eventually abolition (e.g. GLC and metropolitan councils). The ire that key Conservatives reserved for local government is amply expressed in their memoirs.<sup>22</sup>

### **Points of Partnership**

It has been observed that the Conservative government's approach to policy was top-down and 'unencumbered by the constraints provided by interest groups'.<sup>23</sup> The Director of the CPAG agreed, observing of the Fowler review on the 1985 Green Paper on Social Security, that 'most of the opposition [...] from the poverty lobby [...] was simply ignored'.<sup>24</sup> Yet, although those voluntary groups that campaigned were finding it hard to make their views heard it is evident that they could at least complicate matters. Ministers were prone to complaining that the voluntary lobby could muddy the waters of the decision-making process by interposing themselves between the executive on the one side and Parliament on the other, and thus making the decision-making process more difficult to balance.<sup>25</sup>

Yet despite this, during the 1980s the voluntary sector and the state (both local and national) were entering into a partnership. As the witnesses testify this was not always an easy or a welcome move. Unsurprisingly, money was at the root of the relationship. The provision of grants was vital. In real terms central government grants to voluntary organisations increased from £93 million in 1979/1980 to £292 million in 1987/1988.<sup>26</sup> During the 1980s, the DHSS increased its grant awards to voluntary organisations under the 1968 Health Services and Public Health Act from £4.4 million in 1978–1979 to £8.9 million in 1981–1982.<sup>27</sup> This was not without danger as the Alzheimer's Disease Society discovered in 1987 when after two years of DHSS funding, which accounted for half its revenue stream, it was given the ultimatum of either merging with Age Concern or reforming its management structures to the civil services' satisfaction if it wished to continue receiving public funds.<sup>28</sup>

Still, as the witnesses testify, the 1980s also saw some innovations, especially in the sphere of taxation, which were to the benefit of the voluntary sector. Geoffrey Howe as Chancellor announced in his 1982 budget that he was adopting a suggestion from the NCVO that charities which disposed of properties would be liable to development land tax. Additional changes included allowing gifts to charities to be free from Capital

Transfer Tax, and increasing the threshold for which bequests could be made to charities without incurring inheritance tax liabilities. The 1983 Conservative Campaign Guide claimed that it had given the voluntary sector tax measures to its benefit to the figure of £30 million.<sup>29</sup>

The experience of the 1980s for the voluntary sector was therefore double-edged and complicated. Greater freedom and influence might have come with expansion and growth for certain organisations, but the issues of co-option and constraint were ever present too. In this sense, the relationship, or the boundary, between government and the voluntary sector in the 1980s was just a snapshot of a longer history of a 'moving frontier'.<sup>30</sup> Ever since the apparent heyday of philanthropy in the Victorian period, public and voluntary servants have jostled alongside one another, defining respective roles and spheres of action. What is clear, though, is that for all the sorts of tensions that the following testimony shows to have been particularly acute in the 1980s, treating either the state or the voluntary sector as a substitute for the other is based on far too simple an analysis. This, above all, is perhaps the strongest lesson that history can teach today's formulators of policy about the Big Society.

## Notes

- [1] <http://www.conservative-party.net/manifestos/1983/1983-conservative-manifesto.shtml>
- [2] Rochester, 'Regulation', 64–65: citing *Developing Local Voluntary Action*, 1986.
- [3] Hilton and McKay, *The Ages of Voluntarism*.
- [4] Curtis and Sanderson, *The Unsung Sixties*.
- [5] This is all developed further in Deakin, 'The Perils of Partnership'.
- [6] Mawby and Gill, *Crime Victims*, 88.
- [7] *Hansard*, 22 December 1982, vol. 34 cols 526–9W.
- [8] Young, *Enterprise Years*, 88.
- [9] Deakin, 'The Perils of Partnership', 58.
- [10] Thatcher Foundation: Complete Margaret Thatcher Speeches, <http://margaretthatcher.org>
- [11] Stuart, *Douglas Hurd*, 163.
- [12] For an example of how one homeless organisation exploited these opportunities, see Spiers, 'The Rise of St Anne's Shelter and Housing Action', 17–41.
- [13] Clark, *Diaries*, 22, 5 July 1983, refers to 'these tacky schemes to get people off the Register'.
- [14] NCVO website, <http://www.ncvo-vol.org.uk/about/NCVO-from-1919-to-1993#7>
- [15] Data from NGOs in Britain project, [www.ngo.bham.ac.uk](http://www.ngo.bham.ac.uk).
- [16] Kendall and Knapp, *Voluntary Sector in the UK*, 109.
- [17] *Ibid.*, 201.
- [18] Davis Smith, *Voluntary Sector*, 120.
- [19] Kendall and Knapp, *Voluntary Sector*, 9.
- [20] Anheirer, et al., *The Third Sector*, 196.
- [21] Kendall and Knapp, *Voluntary Sector*, 209.
- [22] Ridley, *My Style of Government*, 79–80, bemoaning a claim that one local council distributed a Christmas hamper free to all its tenants.
- [23] Rhodes and Marsh, 'Implementing Thatcherism', 33–50.
- [24] CPAG, *Poverty* 64, 1986, 1.
- [25] Stuart, *Hurd*, 183
- [26] *Charity Statistics* 1985/1986, 128; 11th ed., 1988/1999, 32. Compiled by Jean Francois Mouhot.



- [27] *Hansard*, 11 May 1982, col. 522.  
[28] Plummer, *How are Charities Accountable?*, 16.  
[29] *Conservative Campaign Guide*, 1983, 250.  
[30] Finlayson, 'A Moving Frontier', 183–206.

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