

**‘You were the future once’ – third sector prospects in the 2019 election manifestos**

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## **‘You were the future once’ – third sector prospects in the 2019 election manifestos**

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### **Introduction**

The times in which policies promoting ‘third sector’ - charities, social enterprises and other socially driven organisations - lay at the heart of national policy agendas such as the ‘third way’ have long since passed (Kendal, 2003). The 2019 election manifestos of the main political parties scarcely mention charity directly, let alone volunteering, donations or the charity commission (Kay, 2019; Whitehead, 2019). There is no ‘grand plan’ for the third sector in any of these documents. Perhaps this is because the third sector’s role in public services is now so embedded in the status quo that it hardly needs to be remarked upon or legislated for (Walker, 2017). This may be true for the Conservative and Liberal Democrat Manifestos, which can be largely summarised as offering a continuation of the status quo for the sector. In the case of the Labour Manifesto, the role of charity might simply be relatively unimportant compared to the proposed expansion of the public sector. Along with many other institutions, third sector organisations under a Labour Government might simply have to accommodate themselves to a radically new terrain, in which public sector growth takes centre stage. Nevertheless, some policies give small hints as to how Labour might envisage the third sector fitting into a reformed public realm.

### **Digesting the manifestos: slim pickings for the third sector?**

Manifestos are more than just shopping lists, and it is worth reflecting on the wider world views that these policies fit into, and what they might mean once the electoral dust has settled. Importantly, there are warm words for the third sector to be found across the manifestos signalling the predominantly positive light in which the sector has come to be viewed across the political spectrum. The Conservative’s claim to “stand for those who give their time to help others – the charities, community groups and volunteers who already do so much to make our country a better place.” They will “continue to support charities which have helped to transform our public services”, but there is little detail as to how this might happen in practice. Labour, meanwhile, acknowledges that support from non-government organisations “held the social fabric of our society together” over the course of austerity in recent years. Alongside rebuilding public services, they pledge to “support and maintain” the somewhat nebulous “social capital values” of these organisations. The Liberal Democrats, despite no mention of charity, offer support for social enterprises, mutuals and Community Interest Companies.

Funding pledges aimed directly towards the third sector, however, are largely absent. The Conservatives offer a £500m 'UK Shared Prosperity Fund'. This may help charities operating in some areas to counterbalance a reduction in EU funding, though there remains great uncertainty how this might play out for the third sector in practice. As with the Labour and Liberal Democrats manifestos, the commitment to spending 0.7 per cent of national income on international development is also renewed. Any promises, however, such as the £500 million for new youth clubs and services, often run by charities, must be taken in the context of swingeing cuts to this sort of provision over the previous decade. A £150 million 'Community Ownership Fund' to aid communities in taking over civic organisations or threatened community assets feels like a continuation of Big Society era policy that failed to fully take-off due to inertia in many localities. As such, it risks positioning third sector organisations as a sticking plaster for ongoing austerity in service areas that lie outside of the Conservatives key priorities.

In contrast, third sector organisations have the potential to benefit in a wide variety of ways from Labour's general increase in public sector spending. There will be more money in the system to tackle the causes they care about, and potentially less surplus demand on those charities' services. This is particularly true for local councils. Both the Liberal Democrats and Green Party have also made commitments for more local funding. The Conservatives, in contrast, do not make any explicit promises for local authority funding beyond that which has already taken place, other than to maintain the cap on Council Tax increases without a local referendum. This suggests that major funding increases are unlikely.

What is less clear, is whether any of Labour's proposed spending increases would flow directly to third sector organisations. Indeed, the funding which many of them already receive to deliver public services might even be removed as part of Labour's wide-ranging nationalisation agenda. Labour explicitly pledges an end to the presumption towards outsourcing, and a new presumption to insource services instead. In some areas, such as the NHS or leisure centre trusts, the picture is clear: services will be brought back in house. In social care, however, from which the third sector receives much of its state funding, there is an acknowledgement that contracts will continue in some form, at least for the time being. These will be only for organisations that meet certain standards of transparency, compliance and profit capping, and that 'pay their fair share of taxes'. At the same time, Labour pledge to ensure 'growing public sector provision'. This seems to suggest that any reduction to third sector funding in social care would be gradual, but that over time they could find themselves squeezed out in favour of new public sector provision.

Regarding regulation and continuing their policy from previous manifestos, Labour promises to repeal the controversial Lobbying Act, which some see as inhibiting the sectors' ability to speak out on behalf of beneficiaries, as well as creating a general chilling effect against open debate. Third sector organisations would, however, be expected to follow new arrangements, including a lobbying register for all contacts with senior government officials. Another 2017 pledge to expand Freedom of Information rules to 'private providers of public services' may also affect many third sector organisations. The Conservative manifesto is comparatively silent on regulation, which may come as something of a relief to the third sector given the hostility over recent years from parts of the right wing of the Conservative Party. A Liberal Democrat requirement for non-governmental organisations, as well as the armed forces, to report any instances of overseas abuse seems a reference to recent scandals involving third sector staff in the international development sector.

More fundamentally, Labour appears to be much more willing to reopen fundamental debates around the nature of charity within the UK. Along with the Green

party, they pledge to remove the VAT privileges that charitable private schools enjoy, and to explore their integration into a comprehensive education system. The Greens also propose a distinct legal entity for political foundations and think tanks, many of which are currently established as educational or research focussed charities. These sorts of policies might suggest a growing willingness to address a debate long buried as too politically contentious, about which organisations operate for the public benefit and, therefore, 'deserve' public subsidy and tax breaks as a result?

### **Conclusion: prospects for the third sector in different post-election scenarios**

At present, it appears that the Conservatives and Liberal Democrats largely support a continuation of the status quo. Third sector organisations will in many cases continue to provide services as state funded delivery partners. Under this 'complementary' model (Young, 2000), the fortunes of these organisations will rise and fall depending on the levels of state funding available within their particular field of public services. The Labour manifesto, however, points towards a more fundamental shift. Going back to the time of Beveridge, there have been debates over whether the voluntary sector ought to operate in the same terrain as the state sector at all (Alcock, 2016) and it is conceivable that a majority Labour government, able to implement its manifesto in full, would result in a significant re-drawing of state-third sector boundaries. This could undo some of the 'hyperactive mainstreaming' of the third sector that occurred under New Labour (Kendall, 2003) and more or less sustained under subsequent administrations. If such a shift is less apparent, or takes longer to materialise, the changes may be more subtle, with the sector offering 'supplementary' activities to the state alongside further 'adversarial' advocacy for citizens and campaigning for social and environmental change (Young, 2000).

It is perhaps telling that in the field of global relations, Labour suggest they will leave behind "outdated notions of charity". This has echoes of the views many on the political left held during the last major expansion of the welfare state following World War Two: charity was paternalistic and partial, part of a bygone age and soon to become unnecessary (Deakin, 1995). If this narrative were to again find its way into Labour discourse of domestic welfare concerns, the third sector may once again have to innovate, reformulate, and discover a new niche within the public realm (Harris, 2010).

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