Civil Society
Unleashed

December 2020

The Law Family
**Commission
on Civil Society**

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About the Law Family Commission on Civil Society

The UK is rightly proud of its civil society. But though we have pride in it, and we trust it, the social sector is undervalued and too often overlooked. Public policy focuses on human, financial and physical capital, and says little about social capital. An undervalued civil society will never be as effective or as strong as it could be. And a strong civil society is needed now more than ever.

The Law Family Commission on Civil Society is an ambitious programme of ground-breaking research into how we can unleash the potential of civil society to harness and enhance the powerful community bonds that exist in our nation. It will look at how to get all three sectors – public, private and social – firing on all cylinders to build truly inclusive growth.

It will provide tangible ideas for policy, companies, philanthropists and society to tackle the systemic challenges that are stopping civil society delivering on its potential. To achieve this, it has assembled 17 Commissioners, drawn from business, from public policy, from charity, from philanthropy and from community organising.

The Law Family Commission on Civil Society is created by Pro Bono Economics with the generous support of Andrew Law and the Law Family Charitable Foundation.

Pro Bono Economics uses economics to support the social sector and to increase wellbeing across the UK. The charity combines project work for individual not-for-profits and social enterprises with policy research that can drive systemic change.

The Law Family Charitable Foundation was created in 2011 by Andrew & Zoë Law. It has supported a wide range of charities and charitable initiatives over the years – predominantly in education and health, alongside social mobility and the environment.

Foreword

It is March 2010 and an election is just weeks away. If ever there is a quiet time when you are the Cabinet Secretary and head of the Civil Service this is it. I am on a train up to Birmingham in my role as patron of Pro Bono Economics (PBE) to visit a community centre and learn more about the St Basil's project to help young homeless people find jobs and accommodation. PBE wanted to help the charity measure its impact and enhance its effectiveness. And I wanted the economists working on this project to understand the real challenges many people face in our society often through no fault of their own.

Gillian Tett from the Financial Times called it 'Mission Improbable: Can I persuade the world that economists are useful?' That challenge is ongoing, but I hope all the economist volunteers who have worked with PBE are proving that we can make a difference.

The Law Family Commission on Civil Society is now taking on a bigger task, namely, to consider how civil society can unleash its full potential. To do so, we are drawing on skills and experience far beyond economics. These essays show the breadth of learning available.

That is needed because they also demonstrate the wide nature of the challenge: can we encourage more people to volunteer, particularly the young and less advantaged? Can we help charities quantify their impact on society? Can we encourage greater philanthropy? What is the right balance between the private, public and civic sectors? What is the right balance between campaigning activities and providing direct help?

The first set of essays in this collection, "Capital Ideas", discuss the importance of properly valuing our country's civil society and our social capital. We hear from Andy Haldane, Chief Economist at the Bank of England, who outlines how social capital drives economic and social progress and the role that civil society has to play here. Other essayists explore civil society's role in empowering the at-risk generation of young people who contribute vitally to their communities (Jason Arthur, Youth Futures Foundation), in supporting inter-generational exchange as a source of civic cohesion (Lord David Willetts, Resolution Foundation), and

in reenergising and reshaping social action after Covid (Kajal Odedra, Change.org). This set of essays also explores how that value is at risk. Sue Tibballs of the Sheila McKechnie Foundation (SMK) traces how the government's closing of civic space limits civil society's ability to generate this kind of 'social power'. To keep driving positive policy change, Polly Neate of Shelter challenges charities to get louder and make their voices heard.

In a second set of essays, "Civil Partners", our essayists make the case that collaboration between the private, public and social sectors can improve outcomes for all. Professor Lord David Blunkett (University of Sheffield) stresses civil society's role in strengthening participative democracy, while Vicky Browning and Kristiana Wrixon of ACEVO challenge narratives about civil society's overdependence on government support, presenting it instead as an essential partner in creating social value. In the same vein, Heidi Mottram draws on her experience as CEO of the Northumbrian Water Group to nuance conceptions of businesses as exclusively benefactors of civil society. Instead, she joins Marte Borhaug (Aviva Investors) in exploring how civil society is a vital ingredient for successful businesses. For Amanda Mackenzie (Business in the Community), recognising this intrinsic interrelatedness means businesses continue to support local communities.

Looking across all three sectors, Chicago Booth University Raghuram Rajan argues that strengthening local communities is also a necessary step in regaining crucial support for globalised economies. Here, Marvin Rees (Mayor of Bristol) and Andy Burnham (Mayor of Greater Manchester) offer distinct takes on how, through meaningful devolution, local authorities are uniquely positioned to work with civil society in tackling local problems and regional inequalities.

Our third set of essays, "Unleashing Potential", revolves around the question of how to make the most of our civil society. Setting the scene, Dame Julia Unwin (Chair, Civil Society Futures 2017-18) describes how Covid has exposed the fault lines in our society and revealed the need for a collective social effort in improving the world we live in. Echoing essays from section two, Danny Kruger MP calls for a social covenant under which community empowerment takes place through collaboration with government and businesses. For Rita Chadha of the Small Charities Coalition, the answer lies with small charities driving a new sense of ambition and purpose for civil society, while Sir Peter Lampl of the Sutton Trust, advocates for more (and more engaged) philanthropy. Dan Corry (New Philanthropy Capital) calls for a systems-based approach to unleashing civil society's potential, centring on improvements in regulation, infrastructure and access to data. Ed Humpherson, Director General for Regulation at the Office for Statistics Regulation, further stresses the need for more data about civil society at the national level, as well as more consistent data reporting from the sector itself. Finally, Cassie Robinson of the National Lottery Community Fund locates the future of civil society in its active response to the opportunities and challenges of technology, stressing that nurturing this partnership will be vital to helping civil society thrive in a digital world.

What we see throughout this collection is the huge potential of civil society as a force for social change, as our social glue, as a provider of vital services and as our moral compass. What's more, we see how this value extends beyond the social sector, with cross-sector collaboration as the route to a thriving society. The challenge for this Commission becomes how to go about unleashing this potential, building on the foundations our essayists have laid, and working together to achieve meaningful, lasting change for our civil society.

We hope that the Law Family Commission on Civil Society can provide practical answers which will enable all sectors to play their part in the recovery. At PBE we are determined to show that voluntary efforts can have a real impact.

Lord Gus O'Donnell,

Chair of the Law Family Commission on Civil Society

Thank you

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Social capital:
the economy's rocket fuel

– Andy Haldane

The Covid crisis represents the latest in a long line of moments of economic upheaval in the UK in which social capital has provided important counter-cyclical stability. It is a timely reminder that civil society matters more than is generally acknowledged and should serve as a prompt for reversing the long marginalisation of the sector from the country's policy debate.

"There's no such thing as society." So said Conservative Prime Minister Margaret Thatcher in 1987, in a famous interview for Women's Own magazine. She went on, "people must look after themselves first" and then, and only then, their neighbours. Self-interest trumped mutual interest, personal rewards aced reciprocity.

We have since moved a long way. In 2010, Conservative Prime Minister David Cameron made the "Big Society" – a plan to revitalise civil society – one of the centrepieces of his new government. While this initiative ultimately ran aground, the shift in tone was stark and significant.

The Covid crisis has moved this dial several notches further. In March this year, Conservative Prime Minster Boris Johnson observed: "One thing I think the coronavirus crisis has already proved is that there really is such a thing as society."[1] It is easy to see why he chose those words.

Across the world, the pandemic has prompted an outbreak of community kindness: from small acts of neighbourliness to a surge in volunteering. At a time of acute societal stress, civil society emerged stronger than ever.

And not for the first time. Past pandemics have tended to collapse the capitals on which capitalism is built: physical capital, like machines and factories; human capital, like jobs and skills; and financial capital, like debt and equity. As these capitals have collapsed, so too have peoples' income and economies' GDP. This pattern has been repeated during the Covid crisis. Yet there is one capital that, historically and currently, has bucked these trends: *social* capital.

Not just during pandemics, but in response to wars, natural disasters and industrial revolutions, social capital has repeatedly served as a vital counter-cyclical societal stabiliser

The Covid crisis is the latest in a long historical line, with social capital gluing together communities otherwise at risk of coming unstuck. The physical distancing policies put in place globally to contain the spread of the disease did not, in fact, generate social distance. Instead they reinforced the sense of community purpose and social solidarity, using either physical or digital means, causing social capital to flourish.

The role of social capital and the social sector

Social capital is typically taken to refer to the network of relationships in society. These networks are, in many respects, the DNA of society. As behavioural psychologists have long known, humans are typically driven by mutual- rather than pure self-interest. They are natural co-creators of social capital. Rutger Bregman in his recent book calls this "humankind".[2]

[1] C Sephton & J Rice, "Coronavirus: Boris Johnson reveals 20,000 ex-NHS staff have returned to help fight Covid-19", Sky News, 1 April 2020
[2] R Bregman, Humankind: A Hopeful History, Bloomsbury Publishing, 2020

While social capital is built personally and locally, its benefits extend nationally and often globally in an increasingly interconnected world. Social capital is fuel for us as individuals, personally and emotionally. But it is rocket-fuel for us economically and financially too. It is the secret source of economic as well as personal growth.

The greatest engine of growth for the world economy came after the Industrial Revolution of the late 18th century. The cylinders powering this engine were physical, human, intellectual and financial capital. They combined forces to generate the greatest mass flourishing of business, commerce, innovation, job creation and, ultimately, prosperity in human history.

Yet there was one other vital ingredient in the growth recipe, the secret source of mass flourishing: social capital. The societal stresses created by the Industrial Revolution – homelessness, loneliness, family separation – risked tearing the social fabric, stymieing innovation and scuppering economic success, as they had in earlier centuries.

The reason they did not in the mid-19th century was down to the blossoming and formalisation of the charitable sector. Charity repaired the fraying of the social fabric brought about by wrenching economic and technological change; feeding the hungry, housing the homeless, befriending the lonely. That societal stitching was a key enabler of the economic expansion of the masses that then followed.[3]

More recently, this mass expansion has gone into retreat for a great many people due to rising inequalities. Both accompanying and contributing to it, there has been a depletion of social capital. This was captured by Robert Putnam 20 years ago in *Bowling Alone*, a lament to the loss of community capital in the US.[4]

The trend has further worsened in the two decades since. Last year, Raghu Rajan published *The Third Pillar*, in which he attributed much of the blame for the fracturing of society to the lack of focus on, and loss of, community and civil society.[5] The "deaths of despair" discussed so vividly by Anne Case and Angus Deaton are further disturbing diagnostics on the same societal trends.[6]

New technologies and social media mean the world has never been more closely connected. More than four billion people can access each other instantly, a genuinely worldwide web. And the total rises by an extra 750,000 new people each working day. The world, for the vast majority of its residents, is now only a click away.

But digital proximity has not, in fact, supercharged social togetherness. It may well have done the opposite; culminating in a growing epidemic of loneliness and isolation, a loosening of community bonds, a rising toll of deaths of despair, subsidence in Rajan's third pillar and many more citizens *Bowling Alone*. A hyper-connected world has disconnected many from the mains.

Yet as this steady erosion of social capital has taken place, civil society (its societal embodiment) has largely remained on the side-lines of mainstream policy debate about causes and solutions. Relative to the public and private sectors, on which policy attention is lavished, the social sector has often been treated as an amorphous after-thought, an invisible residual.

Recognising, rewarding and rethinking civil society

At a time when the importance of social capital has never been greater but its stock appears somewhat depleted, this begs two questions. First, how can we better recognise the societal contribution of the social sector? And second, how do we invest that endowment of social capital wisely to grow it in future and repair Rajan's third pillar?[7]

Part of the problem lies in the (lack of) measurement of social capital and the social sector's contribution to it. What is out of sight tends typically to be out of (policymakers' and the public's) mind. Social capital, and the larger part of activity in the social sector, does not score in standard economic success measures, such as GDP.

[3] A Haldane, "Ideas and Institutions – A Growth Story", speech, 23 May 2018
[4] R Putnam, Bowling Alone: The Collapse and Revival of American Community, Simon & Schuster, 2000
[5] R Rajan, The Third Pillar, William Collins, 2019
[6] A Case & A Deaton, Deaths of Despair and the Future of Capitalism, Princeton University Press, 2020

Those NHS volunteers and mutual aid groups receive a precisely zero weighting in the National Accounts. That is a glaring measurement gap.

It has been estimated that there are around 1 billion[8] volunteers globally and around 20 million[9] in the UK alone, but most receive a GDP score of close to zero. By taking a different approach, I have estimated that the social sector in the UK may in fact contribute over £200 billion in social value each year in the UK – or around 10% of GDP. Only around one tenth of that currently finds its way into GDP.[11]

Progress has been made over recent years. The UK's Office for National Statistics now publishes measures of social capital, based on indicators of personal relationships, social network support, civic engagement, and trust and cooperation.[12] These complement its suite of indicators tracking societal well-being, which are now published on a weekly basis.

Companies too have made progress, moving towards a more expansive set of reporting requirement for businesses. For example, so-called "integrated reporting" provides a way for companies to report their contribution across a broader set of capitals than physical and financial, importantly including natural, human and social capital.[13]

Yet despite these gains, mainstream reporting continues to ignore social capital and significantly understates the contribution of volunteering and the social sector to the value businesses and societies create. The residual has largely remained invisible.

It would be hard to think of a better time than now, with civil society again holding things together in a moment of national crisis, to recognise its contribution.

Doing so would mean broadening our measurement horizons and refocusing our sights on what is hiding in plain sight in our communities. It may mean putting well-being and broader conceptions of capital at the very centre of how we measure success, whether as companies or economies.

But if better measuring and recognising the role of social capital and the social sector is a necessary condition for success, it is far from being a sufficient one. To be successful, social action needs to be voluntary and local. But to be effective and well-directed, these actions also need supporting infrastructure.

They also need to operate in partnership with the public and private sectors. Doing that effectively requires the posing of some difficult questions about the appropriate boundaries of the market, the state and civil society: difficult analytically, and difficult politically.

The private sector operates in a largely decentralised fashion, allowing market forces and market prices to serve as a resource allocation device. This typically contributes to the efficiency of these activities, but comes at a cost: namely that the private sector under-provides public goods, from lampposts to lighthouses, due to freeriding.

The public sector operates on a unitary, centralised basis, unguided by market forces. That enables the state to side-step problems of freeriding and supply public goods on a scale and at a price better satisfying public needs, from healthcare to education. But again there is a cost: this time a lack of dynamism associated with the absence of competitive pressures.

The social sector has a structure that is a hybrid of the public and private sectors, combining elements of both market and state. Like the state, it provides public goods, largely unguided by market forces and prices. Like the market, it does so on a decentralised, and sometimes competitive, basis.

[7] For a discussion of the apparent pre-Covid depletion of social capital see: M Whittaker, Time to reverse our (social) capital losses, Pro Bono Economics, February 2020.

[8] UN Volunteers, The thread that binds: Volunteerism and community resilience, 2018 State of the World's Volunteerism Report, 2018

[9] NCVO, UK Civil Society Almanac 2020, 2020

[10] A Haldane, "In giving, how much do we receive? The social value of volunteering", speech, 12 September 2014

[11] A Haldane, "The Third Sector and the Fourth Industrial Revolution", Pro Bono Economics 10th Anniversary Lecture, 22 May 2019

[12] ONS, Social capital in the UK: 2020, February 2020

[13] R Simnett & A L Huggins, "Integrated reporting and assurance: where can research add value?", Sustainability Accounting, Management and Policy Journal, Vol. 6, No. 1, pp. 29-53, 2015

The model of the civil society we operate is, in important respects, a mixed-economy model.

The question is whether that model is the right one for the 21st century. The risks are clear. Decentralisation with no market discipline runs the risks of under-providing some public goods and over-providing others. For the same reasons, it also risks that provision taking place inefficiently. This is the worst of both worlds.

This is not intended to be a criticism of the social sector which serves brilliantly huge numbers of people and has done so for so many years. But it is meant to beg questions about whether our existing civil society model is fulfilling its potential. Are these classic market failures amenable to policy interventions which could expand the provision of public goods and do so even more effectively?

Consider for instance, the way in which civil society might open up access to an even larger army of volunteers than already exists via the establishment of a structured programme. Since 2009 the National Citizen Service (NCS) has offered precisely such a three-to-four week programme of structured volunteering for 16 to 17 year olds. But civic service should be a lifelong pursuit, covering every stage of the lifecycle, and open to all.

To achieve that, the NCS could be expanded, in both duration and age coverage.[14] It could provide a structured national programme of volunteering, implemented on a decentralised basis alongside local charities. This would help mobilise millions more volunteers, including those currently under-represented. To them, it would offer in return fulfilment and training.

To support that, national civic service could usefully be recorded and rewarded – perhaps through the use of a digital civic passport. It's a model that already exists for young people in Scotland and elsewhere around the world. With that passport, the door is then opened to thinking imaginatively about ways in which volunteer activity might be encouraged. One way of doing so, which again already exists in parts of England and in Scotland, would be a system of "digital time credits" for the time

spent volunteering which can then be used on certain activities.

These are tentative suggestions about how a 21st century model of civil society might look. Lasting solutions will require more detailed analysis and evidence-gathering and a wide angle lens on the respective roles of the public, private and social sectors and the way they can best act in partnership – a process likely best served by the establishment of a new Commission on Civil Society.[15]

[14] A Haldane, "The Third Sector and the Fourth Industrial Revolution", Pro Bono Economics 10th Anniversary Lecture, 22 May 2019

[15] C Giles, "Voluntary work comes under spotlight in UK's virus recovery", Financial Times, 30 August 2020

Seizing the moment: why Covid provides a chance for lasting change

– Kajal Odedra

Despite its overwhelmingly disastrous impact on our lives, Covid has galvanised campaigning, activism and civic participation. This creates an opportunity for us to reimagine and reshape society for the better. Civil society must act swiftly if it is to be a successful agent of that change.

It's 7 June 2020. I'm at a protest in Central London. I have a piece of cardboard with a slogan I scrawled on with the nearest Sharpie before I rushed out of my flat that morning. We get to the protest meeting point and join a crowd of hundreds, maybe thousands, marching to the US Embassy chanting and singing, and I'm overwhelmed with the power of people coming together for a cause. It's a beautiful thing and never fails to restore my faith in humanity.

This is all a fairly standard scene, except for a few strange details. For one, most of the protesters, including me, are wearing masks, covering our noses and mouths as though we're in disguise. Some are flimsy blue medical masks bought in the corner shop. Others are wearing something more stylish: masks decorated with flower print, heavy duty masks, black masks with slogans. And some have scarves wrapped around their faces. When we chant it's like we are throwing our voices, the words pumping out but the source unclear. Another thing: we aren't crammed together. I'm five foot two, but I'm not being squeezed and pushed like at the other demonstrations I've been to. Far from the usual intensity of standing in a busy crowd, we are actively trying our best not to make contact with one another. A group of smiling protestors walks past with a bottle of hand sanitiser, squeezing liberally into the hands that stretch out before it. Someone else walks around handing out face masks to anyone who doesn't have one. I get handed a leaflet with advice about being out of my house in a crowd, and what to do if a police officer questions me.

It is June 2020 and activism has been turned on its head. The Covid pandemic swept the entire globe into panic and changed life as we all knew it. Nothing has been untouched by the virus, including campaigning.

Only months before, in the otherworldliness of 2019, I'd been asked to speak at a decade wrap-up event and set out what I thought the next 10 years would bring. I thought about how the 2010s had changed the way power works in the world. This was the decade that transformed activism, with the internet turning up the volume on protest and making it easier and faster than ever before to make change happen. It was the decade of people power.

The rise of online campaigning removed traditional barriers to getting active; no longer was being 'political' the preserve of the expert, well-connected, or rich.

Politics was finally becoming accessible. Crucially, this new kind of campaigning levelled out the playing field for those who historically had their voices silenced – young people, people of colour and women.

When thinking ahead to the next decade, I predicted that the energy galvanized within the climate movement would spark more community campaigning. The impact of local areas calling for a climate emergency to be declared, and then going on to succeed, would lead to more mobilising on the ground, and more meetings led by community activists. I hoped that we would see a resurgence in the use of town halls and libraries as community hubs.

And as I travelled the country to speak about my book, *Do Something: Activism for Everyone*, I saw the fruits of this energy. I met young school strikers in Cumbria who, at the ages of 11, 12 and 13, had gone to protests instead of school every Friday to take a stand for the climate. They were now campaigning for their school to stop using disposable plastic. I met an older man in Sheffield who was now retired and a self-proclaimed radical feminist, determined to bring his sons on the same journey. There was real, palpable energy across the country for people to come together and collaborate on creating change.

The world we are in now couldn't feel more alien to that prediction. Activism is no longer about meetings in town halls or mobilising in school corridors, constrained as it is by face masks and social distancing. One of the reasons I love campaigning so much is the sense of community it provides you: the idea that you are not alone, but rather part of a wider network of people who have the same values and want to fight shoulder to shoulder. With one and two metre social distancing rules, is that even possible?

Perhaps not. Yet, when the news of the pandemic broke and the country went into lockdown, it didn't stop activism in its tracks. It accelerated it.

We thought the news was fast paced before; with this pandemic, it went on steroids. Hour by hour, things were changing, with decisions about our lives being made so fast it was hard to keep up. Our lives were not our own. The very act of leaving our homes was now being legislated on. It felt like we were in the middle of a cyclone, being whipped around by Covid, the Government and our employers.

Inevitably, when things happen fast and out of our control, people get missed. The more vulnerable in society were being forgotten as the Government created measures to protect us. Those working in low paid jobs that we rely on every day – the bus drivers, taxi drivers, cleaners, NHS workers – were all more likely to catch the virus. Older people, those with disabilities, people of colour, were all more likely to die. Covid put a magnifying glass on the nation, showing the cracks in society to be deep crevices.

War-time analogies abounded, with combative language like 'battle' and 'frontline' being used in relation to the virus, citizens asked to 'do their bit' for the country, and families prepping to ration food, stocking up with canned and dry goods. But perhaps the last decade of building up agency and people power has meant that, while in war time we may have happily taken orders without question, now we were equipped to challenge those giving out commands.

Because while the virus itself is invisible, and seemingly invincible, campaigners quickly realised the role they needed to play in holding the Government and corporations – those responding to the virus – to account. And so, rather than rendering society powerless, the pandemic pushed us all into action.

As soon as the country went into lockdown, the number of petitions started on Change.org multiplied by seven. Globally, we were seeing 25 million signatures a week registered on the platform for causes related to Covid. One of the first significant campaigns we won was for NHS staff to get free parking during this period. Last year, private firms made £272 million from parking at hospital sites and NHS staff were forced to pay £86 million while propping up the nation's health service.[1] The Covid crisis catalysed a long-established campaign for change when a doctor, Anthony Gallagher, started a petition calling on the Government to scrap charges for staff. The petition grew to over 400,000 in two days, and politicians of all parties added their voices to the cause. Shortly after, the Government announced that all NHS staff would be able to park for free for the duration of the crisis.

We were seeing so many successful campaigns like this, with the pandemic providing the spark for change in so many areas that had previously been resistant to reform.

The public realised that things could be different: that we didn't have to accept the status quo any longer.

And then, at the height of pandemic on 25 May, Minneapolis police officers arrested George Floyd, a 46-year-old Black man, after

a convenience store employee called 911 and told the police that Floyd had bought cigarettes with a counterfeit bill. He was handcuffed and held face down on the street. Derek Chauvin, a white police officer, knelt on Floyd's neck for nearly eight minutes while two other officers further restrained him. A fourth officer prevented onlookers from intervening. 17 minutes after the first squad car arrived at the scene, Floyd was unconscious and pinned beneath three police officers, showing no signs of life.

The pain of George Floyd's death has ripped open wounds all over the world for people who have been calling for racial justice for decades. For weeks to follow, despite Covid and the continued imposition of social distancing rules, protests were organised around the world. These protests were assembled across the UK, with hundreds of thousands showing up. That's where I was on 7 June: demanding justice for George Floyd. And for Breonna Taylor. And for Sheku Bayoh. For every Black man or woman who had their life stolen by police brutality and whose families saw no justice.

Many of the protests taking place around the world were being organised by Black youths taking charge when they saw nothing concrete happen in the wake of Floyd's death – youths like Shayla Avery, a 16-year-old from California, who texted her friend days after the killing: "We should do something".

"If you're determined and you're really about what you say, then all you need is a strong voice," she told the Guardian, after thousands turned up to the first protest she had ever organised.[2] For these young people, this killing wasn't just an injustice, it was personal. The same article also featured 18-year-old Omer Reshid, who organised a protest in Towson, near Baltimore: "Ever since the video [of George Floyd's killing], a lot of us, especially African Americans, have been feeling very angry and frustrated, but also scared. I know for me as a Black man it's only a matter of time until I face racial discrimination that's going to lead me to put myself in a situation that has my life on the line and that's really scary to me."

Social media platforms like Instagram and TikTok became places to educate and activate people around anti-racism through petitions, protests,

articles, book recommendations, and guidance on how to be good allies. The #BlackLivesMatter hashtag surpassed an astonishing 10 billion views on TikTok. The protests sparked a move to call for statues that represented and celebrated Britain's colonial past, and its links to slavery, to be torn down. The statue of slave trader Edward Colston was toppled during a Bristol protest and pushed into the docks by protesters, causing headlines around the world.

And it wasn't just young Black people protesting. At the demonstration I was at, there were more white people than I'd ever seen at an event about racial justice. Historically, these issues have been sidelined, primarily engaging those affected with only a handful of allies present. But this moment has frankly woken a lot of people up. *Why?* I kept asking myself as I marched. *Why now, when these brutal killings happen too often but are almost always brushed over, ignored?*

The answer must lie with the pandemic: with the way in which Covid has fundamentally changed the landscape of activism and change. No longer distracted by daily life, unable to leave our homes for work or to socialise, we are more focused than ever on what is happening around us. The reality of a brutal killing can't be obscured by the mundanity of life anymore.

And the pandemic has highlighted how unjust life is for people of colour, with proportionately more Black and Asian people unemployed and dying from the virus than white. This perfect storm – of the public paying more attention, of inequality and the pent-up rage of years of systemic racism – has created a moment of intense pressure. Corporations are being shamed for their lack of Black leadership and making dramatic commitments to do better; streets are being renamed to stop glorifying racism; and government inquiries are being launched into systemic racism. The doors that we have been banging on for years are being bust wide open.

Covid has caused endless harm to our lives: mental health has suffered, domestic violence services have reported an increase in calls,

[1] M Mathers, "Coronavirus: more than 300,000 people sign petition to scrap car parking charges for NHS workers", The Independent, 25 March 2020
[2] M Bryant, "'It was time to take charge': the Black youth leading the George Floyd protests", The Guardian, 15 June 2020

and we have lost loved ones too soon.[3] But the pandemic has also created an opportunity to reset and reimagine our societies.

At the beginning of the outbreak, writer and activist Arundhati Roy wrote in the Financial Times: "Historically, pandemics have forced humans to break with the past and imagine their world anew. This one is no different. It is a portal, a gateway between one world and the next."[4]

What does that look like? Digitally engaged and educated politicians and parliaments. No more diversity trainings, but organisations putting their money where their mouth is with diversity, equity and inclusion at the top of the agenda. The more we allow 'ordinary people' at the decision makers' table, the better. We all benefit from a society that is shaped by many voices with different experiences and ideas. We cannot miss this opportunity. The public are pushing down the doors to the portal; it's the institutions, governments, charities, and media that must now give them permission to come through.

This is a unique moment in history, but humans forget easily. Once normality kicks in we will lose this chance to make lasting change.

We have a window of opportunity to push for the changes we want to keep and the new ideas we want considered. As civil society, we need to act with urgency, as though our house is on fire.

This portal is a gift to create a society that really works for us all, and to break away from the status quo. If this year has taught me anything, it is that extraordinary things happen in adversity.

[3] See, for example, A Kousoulis et al., The COVID-19 pandemic, financial inequality and mental health, Mental Health Foundation, May 2020, and M Townsend, "Revealed: surge in domestic violence during Covid-19 crisis", The Observer, 12 April 2020
[4] A Roy, "The pandemic is a portal", Financial Times, 3 April 2020

Civil society and the generations

– Rt Hon the Lord David Willetts

The power of civil society rests on the establishment and active management of institutions that help to hold us together. It must evolve as circumstances change and, in the current context, should consider how more can be done to support inter-generational mixing at a time when demographic forces are pushing in the opposite direction.

Civil society is a powerful concept which can be used in many different ways. It can be interpreted very broadly as every form of association which stands between the individual and the state. It can be thought of as Gemeinschaft, community, which Tönnies distinguishes from Gesellschaft, the rules of an impersonal market society.[1] One strand of post-war thought exemplified by Almond and Verba identifies civic culture as one of the great strengths of modern liberal democracies and distinguishes between them and totalitarian states or dictatorships which are hostile to it.[2] I myself wrote in the early-1990s of "civic conservatism" to challenge a critique of free market economics that it was just about atomistic and selfish individuals and left no room for the institutions which make life worthwhile.[3]

But the breadth of the concept of civil society produces risks and difficulties too. It can become an amorphous shifting residual: what is left after more powerful forces such as family and state have done their bit. It is like that strand of theology, "the God of the gaps",[4] in which the divine is thought to be expressed in phenomena which are not yet explained by science.

That opens the question of what kind of relationship civil society has to other forms of social organisation. There is an ideological debate about whether the state in particular should be seen as friend or enemy. The rise of the welfare state is a vivid example of this question. Gertrude Himmelfarb showed how much voluntary provision there was in Victorian England.[5] Did the creation of the modern welfare state in the first half of the twentieth century lead to the destruction of the friendly societies, or was it partly a response to their increasing weakness in the face of the rise of those twin features of a modern industrial society – unemployment and retirement?

The relationship between civil society and the family is not straightforward either. Family ties reinforced by inheritance can produce low social mobility. Strong extended families can themselves act as a kind of mini-civil society serving their own kith and kin, but are those relationships benign or a kind of clan-based corruption? The rise of civil society in Great Britain was in part the product of small nuclear families and limited government leaving space in which civil society, at least of a certain sort, could thrive.

Close up, civil society proves to be a surprisingly controversial idea. But engaging with tricky issues is better than the alternative, which is to leave it just as a vague appeal to do good. Civil society then becomes a kind of social glue which we imagine we can pour over a diverse and divided society to try to hold it together. Asking for us to be good and co-operate with others is admirable, but on its own may not actually get us very far. And nowadays many moral claims are themselves contested unless they are so bland as to be almost meaningless.

The Law Family Commission on Civil Society will make most progress if it eschews any such moralistic appeals to be good. Instead it could start with much more limited and less favourable assumptions about human behaviour. The challenge is to try to construct policies promoting civil society with minimal prior assumptions.

[1] F Tönnies, Community and Civil Society, ed. J Harris, trans. M Hollis, 2001
[2] G Almond & S Verba, The Civic Culture: Political Attitudes and Democracy in Five Nations, 1963
[3] D Willetts, Civic Conservatism, Social Market Foundation, 1994
[4] See for example, Stanford Encyclopedia of Philosophy, "Teleological Arguments for God's Existence", 2005
[5] G Himmelfarb, Poverty and Compassion: The Moral Imagination of the Late Victorians, 1992

Instead of trying to stick us together with benign altruism this project should be thought of as more like dry-stone walling where the stones are held together not because they want to be, but because of the most basic natural forces and skilled institutional design.

The starting assumptions about humans should be as limited as those which lie behind modern economics.

The intellectual resources of game theory and evolutionary biology then help to show a way forward from this apparently unpropitious starting point. One of the classic puzzles in modelling human behaviour is the Prisoner's Dilemma – two criminals are arrested with strong incentives to betray each other even though they both do best if neither of them betrays. As neither can trust the other not to betray them, they end up both betraying and therefore are both worse off.

The dilemma forces us to think through the circumstances in which humans can co-operate. A key advance was made by Robert Axelrod when he showed that if we think of this dilemma not as a one-off but as an endlessly repeated exercise, then it becomes rational not to betray until you are betrayed.[6] This in turn helps us to understand what institutions do. They provide environments where repeated interactions promote co-operative behaviour. And we are talking here of real institutions which can do much more than the much more invertebrate concept of community.

This raises another set of other problems. Do such patterns of behaviour within institutions reward insiders versus outsiders? Indeed, one of the liveliest issues animating a lot of politics is who are the insiders, and who are the outsiders? A lot of feeling against immigrants comes from the fear that they are freeloaders coming to benefit from a welfare state to which they have not contributed. It is one of the paradoxes of liberalism that it embraces diversity, but that it may also reduce support for a welfare state.

One of the gains from a range of different civil institutions is that they can create a network in which we can all find ways to be incorporated. For example, from one perspective the Catholic Church requires a shared set of beliefs which exclude many of us; yet it does very well at incorporating people of every social class, and Catholic schools score highly for ethnic mix.

One of the trickiest but also most productive applications of these insights is inter-generational issues. What if the insiders are a big generational cohort who shape society, intentionally or not, around their interest?

Think of a local residents' association committed to supporting the local community. Its volunteers serve as councillors or as school governors, but they are all middle-aged or older owner-occupiers and oppose new housing in their area because they are unaware or uninterested in the younger people desperate to get on the housing ladder. Or think of the extraordinary gains enjoyed by partners in stockbrokers and banks when they converted over the decade after the Big Bang from trust-based partnerships to limited companies. The value of generations of gains in building up an enterprise were obtained by one lucky cohort. Alternatively, it can be private equity massively increasing the gearing of a company and extracting one-off gains for holders of a small equity base while the narrowness of its capital base leaves it vulnerable to a big external shock. These are all examples of institutions captured by a narrow interest and doing wider damage.

How can we possibly value the long-term in circumstances like these? And why should it matter? The life cycle is key here. It is at the centre of the social contract holding us together. We are born dependent and have a longer period of dependence on our parents than any other creature We are then – usually – productive in our prime. In old age we are once again dependent. We need a mechanism to enable us to consume more than we produce when young and old, but then to give up some of our extra production when we are in middle age.

One can think of this as smoothing over the life cycle: ending up, in the simplest case, consuming all that we produce over our lifetime

6 R Axelrod, The Evolution of Cooperation, 1990

but redistributing it over the life cycle instead of just when we are in our prime.

We do this by living in human society where we can exchange with others who are at different stages of the life cycle. Paul Samuelson put it very well: "giving goods to an older person is figuratively giving goods to yourself when old".[7] It is these exchanges between generations which are at the heart of society, and also the modern welfare state. It is why services from education (for the young) and health care (for the old) matter so much to us.

At any one moment they may look like transactions with someone else, but they are also exchanges with ourselves at different stages of the life cycle. It is easy to think of these people of different ages as just different – imprinted with different experiences during their formative years and familiar with different technologies. But there is another way of thinking of them: just like us but of a different age. And the more we can connect with them the more we may continue to support these exchanges which keep society together. It is profoundly depressing to read the opinion polling which suggests young people do not believe they will ever receive a state pension[8] – it suggests a deep pessimism about maintaining these contracts.

There is evidence that we live in an increasingly age-segregated society; less likely than was once the case to work or socialise with people of different ages.[9] But at the same time the family is changing in the opposite way. We have fewer siblings and cousins. As people live longer so we are more likely to have surviving grandparents.

So one picture of our country is of broad age cohorts segregated from each other, with tall thin bamboo families increasingly important as the place where inter-generational exchanges occur.

That suggests an important role for the The Law Family Commission on Civil Society: namely to consider ways in which inter-generational forms of civil association can be promoted.

There are some interesting straws in the wind. For example the TV programmes in which young kids mix with elderly residents of care homes have really struck a chord.[10] Are there ways in which, as we emerge from Covid, further links of this sort might be promoted? Then there is an excellent charity which tries to link up older spare room-owning people with youngsters desperate for a place to live.

But there are considerable regulatory barriers to such arrangements. And what about grandparents, who can play a crucial role in helping nurture grandchildren but who have such limited rights in this regard? Is this something which should change?

These are examples of integrating the youngest and the oldest – two groups who are 'dependent' in society. But it would be particularly valuable if different 'dependent groups' integrate with 'independent' or 'productive' groups, i.e. working-age people. (Excuse the crude association of paid work and independence, but there is a genuine point here.)

If we are to strengthen the sense of community and civil society, and thereby strengthen the social contract, it is crucial to include current contributors so that they understand that they are essentially giving money to themselves at a different age. So we should look also at If we are to strengthen the sense of community and civil society, and thereby strengthen the social contract, it is crucial to include current contributors so that they understand that they are essentially giving money to themselves at a different age. So we should look also at links between harassed workers and other age groups. Networks in which they are helped to alleviate the pressures they are under – such as help with childcare – in return for their contributing in future, would be very valuable indeed.

[7] P Samuelson, 'An Exact Consumption-Loan Model of Interest with or without the Social Contrivance of Money', Journal of Political Economy, LXVI, 1958, pp467–82

[8] H Shrimpton, G Skinner S Hall, The millennial bug: public attitudes on the living standards of different generations, Resolution Foundation, 2017

[9] It is hard to be certain about this though, and it would be a useful exercise for the Commission on Civil Society to assess the evidence. See: D Willetts. The Pinch: How the Baby Boomers Took Their Children's Future – And Why They Should Give It Back, 2019. See also: C McCurdy, Ageing fast and slow: When place and demography collide, Resolution Foundation, 2019.

[10] See: Channel 4's 'Old People's Home for 4 Year Olds'

[11] Homeshare International

The concept of "civic conservatism" that I set out in the 1990s was met by my party colleagues with, if not great fervour, then at least a pragmatic acknowledgement that it was something we on the political right should understand and promote. It influenced David Cameron and served in some ways as a precursor to the concept of the 'Big Society' which he developed. That project suffered as it became associated with the politics of austerity – asking voluntary groups to step in to plug gaps created by cuts in public spending. But the concept is one that all of us, regardless of political party, must continue to engage with.

That is particularly true as the country faces up to both the demographic challenge associated with the big baby boomer generation growing old and the need for rebuilding and renewing associated with recovery from the pandemic. The signals from today's government suggest there is appetite for such thinking. The rallying around the 'build back better' banner provides the opportunity for the government and the country more generally to take stock and determine how we might all – the state, business and civil society – come together to determine and deliver the sort of country we want to live in. That is not one in which government decides everything. Instead it leaves space for and actively promotes a flourishing civil society as well as a market economy.

It's time to unleash the power of youth

– Jason Arthur

Most young people feel a strong sense of social responsibility and many are already contributing to civil society in a variety of ways. At the same time, the Covid pandemic threatens to create a lost generation of young people - civil society has a key role to play in amplifying youth voices and empowering them to help shape the future of the country.

It's time to unleash the power of youth

As a society we face an unprecedented set of social, economic and environmental challenges, many of which have been exacerbated by the global pandemic. Children and young people have been particularly hard hit by Covid and without urgent action, the pandemic threatens to create a lost generation with poorer living standards and worsened life chances.

If we are to tackle the significant challenges we face, it is vital that young people are supported and empowered to be active citizens. Too often, young people's voices are excluded from decision making and their capacity to make a positive difference isn't sufficiently recognised or maximised. This is particularly true of young people from marginalised and disadvantaged communities.

Civil society organisations should be at the forefront of a conscious and substantive shift of power to young people, enabling them to better shape and address the issues that affect their lives, their communities and broader society. How can we unleash the power of young people to help drive national renewal over the next decade? By listening to them, investing in them and co-creating an ambitious nationwide plan that empowers young people to create positive change.

The Covid generation

Emerging evidence about the impact of the pandemic shows that young people are likely to suffer its long-term consequences the hardest. The economic downturn is set to cause youth unemployment to skyrocket, with young people under the age of 25 most likely to have lost work due to furloughing, hours reductions and job losses.[1] Existing labour market inequalities are also set to increase, with ethnic minority

young people significantly less likely to find employment.[2] Although the full impact of school closures is still unclear, the Sutton Trust anticipates that the attainment gap will widen between young people from low-income backgrounds and their wealthier peers.[3]

Young people feel deep uncertainty about the future of society and their role within it.

A University College London (UCL) study found that three-quarters of young adults (18 to 29-year-olds) feel worried about future plans, compared to just under half of 30 to 59-year-olds and a quarter of adults over 60.[4] Such anxieties are widening generational divides, with 67% of young people agreeing that their generation will pay the price for the pandemic.[5]

Young people will enter adulthood in a period of increasing uncertainty, dealing with the consequences of decisions on which they had no say. Three-quarters of young people believe that politicians don't care what young people think and less than a quarter (24%) of young people agree that their generation is well represented in political discussion.[6]

Yet despite sacrificing much through the pandemic, government and media portrayals of young people have often painted them simply as selfish and individualistic. Spikes in the infection

[1] M Gustafsson, Young workers in the coronavirus crisis, Resolution Foundation, May 2020

[2] C Leavey, A Eastaugh & M Kane, Generation Covid-19, Health Foundation, August 2020

[3] R Montacute, Social Mobility and Covid-19, Sutton Trust, April 2020

[4] D Fancourt, F Bu, H Wan Mak, A Steptoe, Covid-19 Social Study: Result Release 12, UCL, June 2020

[5] R Carter, Young People in the time of Covid-19, Hope Not Hate, July 2020

rate have led to fingers pointed at the young, with warnings not to "kill granny" by catching and spreading the virus.[7]

This characterisation is deeply unfair. Most young people feel a strong sense of social responsibility, with the vast majority following government guidelines.[8] Moreover, the majority are concerned not only about their futures, but about the implications of the current crisis for those around them and the future of society. Beatfreeks' Take the Temperature report found that 92% of 14 to 25-year-olds feel this could be a moment to change society for the better and 51% said they are making more effort to help those in need.[9]

Young people's participation in social action – what do we know?

Over the best part of a decade, the #iwill campaign has helped to coordinate and drive efforts across the UK to make participation in social action activities such as volunteering, campaigning and peer-education the norm for 10 to 20-year-olds. Thanks to the activities of large national programmes and community organisations across the UK, there is now a strong body of evidence on the extent to which young people are making a positive difference within their communities.

1. Young people want to do good and when they do, we all benefit

Young people are eager to make a positive impact on society: 86% believe it's important to try to make a difference in the world; and 88% care about contributing to make the world a better place for everyone.[10] Three-in-five young people say they're likely to take part in social action over the next 12 months.[11]
This appetite provides a strong foundation for the state and civil society organisations to build from.

Growing evidence shows the multiple benefits that are created when young people take part in high-quality social action activities, such as volunteering, fundraising, campaigning and peer-education.[12] For young people, taking part in social action correlates with higher levels of wellbeing[13] and lower levels of anxiety. Randomised control trials showed that young people who participated in high-quality social action activities saw improvements in character

qualities like empathy, cooperation, resilience and problem-solving, qualities that support educational attainment and future employability.[14]

Youth social action also has the potential to be transformative for communities and wider society.

Young people who take part in social action are much more likely to feel as though they belong to their community compared to those who never take part.[15] Likewise, research shows that participation in social action means young people are much more likely to feel their views will be taken seriously in their community. [16] Communities benefit when young people feel valued, engaged and involved through creating a greater sense of community and boosting social cohesion.[17]

2. Young people are making a difference in a variety of ways

Powerful examples can be found across the UK of young people creating change within their communities and beyond. From taking part in school strikes, to campaigning against plastic and creating the first ever Young People's Forest, young people have been at the forefront of efforts to tackle the climate emergency. Likewise, young people have driven efforts to combat racial injustice, engaging in peer-education on anti-black racism and through leading campaigns to decolonise the curriculum.[18]

[6] Ibid
[7] C Smyth & R Bennett, "Don't kill granny with coronavirus, warns Matt Hancock", The Times, 8 September 2020
[8] A Mycock, Latest Covid-19 study shows young people worried for their future, University of Huddersfield, May 2020
[9] Take the Temperature, Beatfreeks, May 2020
[10] S Knibbs, C Mollidor, B Stack & J Stevens, National Youth Social Action Survey 2018, Ipsos Mori, March 2019
[11] Ibid
[12] Scoping a Quality Framework for Youth Social Action, Young Foundation, June 2013
[13] O Michelmore, J Pye, National Youth Social Action Survey 2016, Ipsos Mori, February 2016
[14] E Kirkman, M Sanders, N Emanuel, C Larkin, Evaluating Youth Social Action, Behavioural Insights Team, January 2016
[15] S Knibbs, C Mollidor, B Stack & J Stevens, National Youth Social Action Survey 2018, Ipsos Mori, March 2019
[116] Ibid
[17] J Birdwell & L Reynold, Service Nation 2020, Demos, July 2015
[18] BBC Bitesize, Decolonising the curriculum

Although there have been significant efforts to mobilise adult volunteers in response to the coronavirus pandemic, most notably at a national level through the NHS Volunteer Programme for over 18s, there has been limited focus on the positive impact young people can make. Despite this there are inspiring examples across the UK of young people taking action in their communities during this crisis, be it through acts of kindness to people in care homes, checking in with discharged patients, creating mental health 'survival guides' or helping to draft youth-friendly social distancing guidance.

Through the young volunteer programmes established in thirty NHS Trusts across the UK with the support of Pears Foundation and the #iwill Fund, young people are also adding value to healthcare services, enhancing patient experience, supporting staff and improving care whilst developing their own skills, wellbeing and career opportunities.

3. Young people from low-income backgrounds are less likely to take positive social action

Data from the National Youth Social Action Survey has consistently shown a stark participation gap, while 47% of young people from the most affluent backgrounds participate in social action each year, this is true for only 28% of young people from low-income families.

The survey results also show a significant increase in the proportion of young people who state there are 'few/no opportunities in my area' (19% in 2019, compared with 12% in 2018 and 4% in 2017), with young people from low-income backgrounds more likely to identify this as a barrier to participation than their wealthier peers. This perhaps reflects the fact that despite investment in social action opportunities through initiatives like the #iwill Fund and National Citizen Service, these have been offset by significant funding reductions to the youth[19] and education[20] sectors over the last decade.

Over the years the survey has consistently shown that the most common motivations for participating in social action are 'If I could do it with my friends', followed by 'If I could do it at school, college, university or work'. Schools and colleges remain the key route into taking part in social action for young people from all socioeconomic backgrounds and are particularly important for young people from low-income backgrounds.

What more can we do to grow the power of youth?

To emerge from this national crisis and 'build back better' over the next decade we can no longer afford to treat young people as leaders of tomorrow. Rather, we must harness the energy, talent and ideas they have to make a positive difference today.

Youth volunteering and social action more broadly is often framed by conceptions of 'service' and 'sense of duty'. But since the long-term consequences of the Covid pandemic will be felt most of all by the young, what we need is meaningful action to address imbalances of power. How can we ensure that in the 2020s, young people have more power to shape and change things for the better? To answer this, civil society organisations should work with government and the private sector on three critical areas:

1. Youth social action should be prioritised as a key pillar in national and local recovery plans over the next decade

Empowering more young people to make a positive difference should be an integral part of how we seek to address current and future challenges. An ambitious nationwide plan to boost the numbers and diversity of young people taking social action should be developed in partnership with young people to address a range of issues including the climate emergency, mental health and racial injustice. Given the scale of the youth unemployment crisis to come, linking such a plan to boosting young people's employability, including through links to the Kickstart Scheme, should be a priority.

Although a structured programme that supports young people to take social action should be explored,[21] collective ambitions to further mobilise young people should not start and end with efforts to create a 'service year' in the UK. Any plan should also encompass the variety of ways in which young people can make a positive impact. It should build on existing collaborative structures, infrastructure and projects, including the sector-based partnerships stimulated by #iwill since 2013.

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[19] Out of Service, YMCA, January 2020
[20] P Bolton, Education Spending in the UK, House of Commons Library, October 2020

2. Increased opportunities for young people to influence decision making at a national and local level

Too often, decisions are made about young people without young people. However, their views, experiences and ideas must be heard to shape how we build a better future. Despite making up 12% of Britain's population, 18 to 24-year-olds account for less than 0.5% of all charity trustees.[22] Likewise, the majority of central government departments have no structures in place to consistently engage with young people to shape policy making. There is currently patchy evidence on the extent to which local authorities have developed youth engagement strategies.

Organisations at a national and local level must do more to give young people from diverse backgrounds a seat at the decision making table. These opportunities should be meaningful and well supported and could include recruiting young trustees, creating young advisor groups, young ambassadors or involving young people in grantmaking and commissioning processes.

3. Targeted investment to support and empower young people from disadvantaged backgrounds to take positive social action

With the #iwill Fund set to finish in December 2022, further investment will be vital to ensure that more young people and communities benefit from high quality youth social action. Both the government and funders should prioritise investment that targets young people from low-income backgrounds to take action. In particular, funding should aim to embed youth social action in schools and colleges as the key gateway for participation for disadvantaged groups, invest in civil society organisations providing critical infrastructure that enables youth social action opportunities and remove financial barriers that can prevent young people from taking part, such as travel or suitable clothing costs.

It's time we took young people seriously. Young people have an essential role to play as active citizens in leading national renewal, as part of civil society and beyond. By working with young people, listening to them and investing in their capacity to create positive change we can truly unleash the potential of civil society.

[21] D Kruger, Leveling up our communities, September 2020
[22] Young Trustees Guide, Charities Aid Foundation, August 2015

Why we need civil society to stand up and lead

– Polly Neate

Charities play an essential role in our country and are often the driving force behind positive policy change. But they find themselves too often ignored, unsupported, and misunderstood. Charities need to get louder, prouder, and more assertive.

Charities are essential to the way our country works, as an economy and as a society. Without them, some of our communities and individuals would be left behind and left out. At times of crisis and need this is even more the case. But you would never think it given how others talk about us on most platforms, or even given how we talk about ourselves.

I have never been more convinced of our importance. Shelter is just one example. At the start of 2020 the world looked unremittingly bleak for the people who turn to Shelter for help. The challenges we faced to change it for the better, working with individuals, in communities and across society, were considerable. At least 17,000 fewer social homes existed compared with the previous year, despite a waiting list of 1.1 million people. A grossly inadequate housing benefit system was failing the three in every ten private renters who relied on it for survival. Landlords and agents still thought it was acceptable to discriminate against people on benefits through "no DSS" exclusions. But we had a plan and our Shelter teams know what we're here for: to defend the right to a safe home. We were ready for the challenges to come: getting the best possible outcome for every individual we support, getting rid of no fault evictions, making the case for rebalancing the economy of our country in a way that gets social homes built and pursuing discrimination through the courts. We knew what we faced, and we knew what we were doing about it.

We knew we were already in a housing crisis, a national emergency ruining hundreds of thousands of lives. But we knew what we were dealing with. Then the biggest public health crisis any of us had ever seen collided with the existing housing crisis and those caught in the fallout were those Shelter exists to help.

The single mother with two young kids living in one room of an emergency B&B, sharing a bathroom with other families and unable to protect her children, emerges – mental and physical health in shreds – to learn that her chance of escaping homelessness is now even more remote. Because there are many, many more just like her.

Research Shelter commissioned during the crisis shows that as housebuilding stalls due to the recession we could lose over 80,000 new homes in 2020. By early July we saw almost 3 million additional people had been forced to sign up to Universal Credit during the pandemic. The country desperately needed our legal advice and support and yet we had to limit physical meetings and shut up so much of the fundraising we need to keep going.

We refocused our campaigning on the new emergency at hand. In particular, we pressed the government to suspend evictions, and they did – suspending the courts to at least slow, if not yet stop, the rising tide of Covid-related homelessness. The government also increased housing benefit to cover the bottom third of rents. We won a landmark case on discrimination against people on benefits by landlords and agents, proving that "no DSS" is unlawful discrimination and has to stop. Above all, throughout lockdown, I saw every one of Shelter's employees commit every last drop of energy and creativity to keep our work going in seemingly impossible circumstances.

But the challenge before us is still considerable and I worry that as emergency measures end, things could be about to get harder.

Our frontline services are already stretched. And what we know is that 230,000 private renters have already fallen behind with their rent since the start of the pandemic. 1.7 million private renters anticipate losing their jobs in the next few months. The homelessness system will absolutely not be able to cope. It's been hard enough to find homes for just 10,000 former rough sleepers who were accommodated in hotels during lockdown. Temporaryaccommodation is already being used by families for whom it's simply not suitable – not even humane a lot of the time. Unless the government addresses the problems that existed before the pandemic began, we are heading for disaster. You can't solve homelessness without homes. It really is that simple and it really is obvious what the government has to do.

Shelter is just one example of the critical role civil society organisations have played during the pandemic and will continue to play as the country struggles back to its feet. If we expect our fellow citizens not to be homeless, not to starve, not to find there's no one to listen or help when stress, pressure and illness become too much, we must understand that we expect charities to step up. From those who ensured children received the healthy food they needed during lockdown, to those planning a cleaner, greener approach to recovery.

It's thanks to civil society we still have reasons to be optimistic about what we can achieve in our communities when we work together.

Despite all this, there is a disconnect between the role charities play in our society and what the public – and, all too frequently, the government – thinks their role is. It's time for civil society leaders to step up, above our individual causes, for the cause of civil society itself: the importance of a country in which charities play a leading role.

Who does have a say in our society's future? Looking at the panellists of shows like Question Time gives an idea. The way we tackle the

pandemic has been debated by health experts, thinktank bosses, business leaders, out of work actors and politicians. What you will not have seen is the head of a charity. I am lucky to be asked to explain the impact of the pandemic on homelessness in specific news items on exactly that topic, but the broader social discourse is very rarely something I or my peers in the charity sector are asked to join.

The impact of the pandemic on the nation's economy, mental health, infrastructure investment and the whole levelling up debate will be informed by the CBI, the TUC and footballers, but charities are not part of that conversation. Given the work charities do this does not just do a disservice to us, it means our national debate is poorly informed.

It is reflective of the diminished role of civil society in the minds of decision-makers that we have simply not had enough support in this pandemic. Many organisations are far more vulnerable than we are at Shelter, as I know from many conversations with my fellow charity CEOs. We are one of the lucky ones, but despite huge generosity from our supporters there is simply no way to fill the hole left by cancelled fundraising events, closed charity shops and months of keeping our dedicated face-to-face fundraisers off the streets. Every day our shops stayed shut was another £28,000 gone.

The missed opportunities to recruit new donors, who guarantee the sustainability of our life-changing work, will be felt for years.

Yet we have both reserves and teams of determined fundraisers who will throw the kitchen sink at ensuring our survival. If Pro Bono Economics are right that one in ten charities faces bankruptcy[1], I fear that neither the government nor the public understands what that means. If we change forever, so does Britain. And not for the better.

I've been looking for hard evidence during the pandemic that the government has understood the role of charities in our country. Frankly, I haven't found it.

Yes, there has been some help to some charities to mitigate the worst effects of Covid-19. But the funds offered are not

[1] P Butler, "Coronavirus leaves one in 10 UK charities facing bank- ruptcy this year", The Guardian, 9 June 2020

available to everyone and they are simply not enough.[2] The language used in the government's press release about its 'charity rescue package' was not helpful either – like many other charities, we actually saw a dip in much-needed donations as people thought we'd been 'bailed out', when that was far from the case.

Most of the small amount of emergency cash available has been filtered through ministers' or funders' choice of causes. This paternalistic attitude that the government knows which charities are best, is a dangerous one. It stops government providing the kind of broad package of support offered to business. And it risks politicising a sector that works hard to ensure that it is driven purely by need and not by assumption or political prejudice.

I am not saying this as an attack on politicians or the editors of BBC discussion shows. If we are not relevant to the national conversation, we need to consider why that is.

I think we have grown shy after years of having salaries examined, political motivations questioned and a sense we should be seen but not heard, delivering services without engaging in the national debate around what those services are to do. This has been a huge mistake.

The temptation to stick rigorously to prepared comments from a media specialist. To not give views that aren't strictly related to the area we are directly working on. We should not be afraid of our own voice and our right to be heard. We should not because we represent the experiences of millions in need of that voice in this country.

We are not an extension of the state, there to silently deliver services no longer provided by local councils. There is nothing wrong with taking government funding to deliver services that we know are needed – but if that comes at the price of not having a voice then it comes at too high a price.

Silence is a disservice to the unique role we play in our community.

There can be solutions from the right or the left to the crisis people are facing. But we have reached a place where the common cause is not relevant – only the ideological barriers. The divided, sceptical nature of our national discourse is both a product and a cause of the fact that civil society has been largely put on mute.

If we were to speak louder about the structural problems we can't help but see, we could rebalance the idea that it was ever thus, reject the simplification that the problem is purely the wrong people in power and look instead at power in the wider sense: the disempowerment of individuals beyond the day they visit a polling station – and the disempowerment that means millions don't even do that.

Because that is the critical role that separates us from politicians or business leaders. The community spirit we've seen during the pandemic is not an alternative to us. It is us. We create change and our social responsibility is not an add-on to enriching shareholders, it is our purpose. The self-criticism and reflection that partly drive us into reticence are intrinsic to our value: genuinely, it's not all about us.

Yes, we should speak truth to power – and some politicians don't like that, at least while they have the power. But that's the point of us: undistracted by personality or profit, we exist for those that need us most.

Let's not kid ourselves: politicians need us to be independent minded too. Even those who get het up at first when we propose a different way of doing things will usually discover that genuinely weighing up options with a critical friend is a good way to arrive at the solution they need, sometimes even providing the reason to act that they were looking for, or the idea that civil servants felt they couldn't propose. The most successful politicians of all parties come

[2] A Ruzicka, "Will the £750m coronavirus lifeline for charities be enough? Small organisations warn they could still go bust and plead for vital public donations to stay afloat", This is Money, 11 April 2020

to realise that civil society organisations can be used to test and develop the best ideas – not to mention providing free research, analysis and policy development that many government departments have come to rely upon. And eventually, when the other side is in government, the new opposition realises we're still playing with exactly the same straight bat.

As well as supporting some of those worst affected by the crisis right now, charities of all shapes and sizes will play a crucial role in the search for solutions that will ensure the country's recovery from Covid. That is, unless they go to the wall.

If the voices of charities remain silent, the whole country will lose out. What we need for the next decade is a louder, prouder, more assertive sector, not beholden to investors or a party system or a civil service code or a newspaper proprietor. From the Victorian philanthropists, to the activists of the 1960s, the feminists of the 1980s, the organisers of the last 20 or 30 years, the disability movement, young people in care getting organised – you name it, forming a charity has been a way of joining together to change things for the better for far longer than living memory. When you put those movements together, you have the charities of today. No more diverse than business or the public sector, and no less able to speak up if we choose to.

Unleashing social power

– Sue Tibballs

At best civil society builds the relationships, trust, engagement, hope and momentum that make change possible – what we call 'social power'. Reform is woven into everything it does. But recent governments have sought to limit charity voice and control civic space. Civil society cannot play its full role if it is reduced to a mute extension of the state.

Civil society has always played a central role in social change - whether helping an individual turn her life around or shifting social norms. From securing better working conditions, improvements in judicial process for rape victims, or equal marriage, it is civil society – not government – that drives much of this change.

However, its capacity to drive change is being constrained. Civil society is being pushed into an increasingly transactional model in which it is being asked to help pick up the pieces of an increasingly unequal and divided society, while being prevented from having a say in how that society could be organised – or transformed – to prevent those problems arising.

'Stick to the knitting' is how a former Charity Commission commissioner put it. But, as I will argue in this essay, if we want civil society to play its full role in levelling up, it cannot be confined to just providing relief. It has to be allowed to play its full role in reform.

What do I mean by 'civil society'?

Before going further, it is important to spell out what I mean by the term 'civil society'.
It is a slippery concept and perhaps necessarily so: it isn't a 'sector' and its boundaries are blurred. To my mind, it is when people with shared interests or values come together in pursuit of a common good or 'social value'. Civil society sits outside the state or the public sector. It is distinct from the profit-driven private sector (note the Government includes the private sector in its definition). Nor is 'civil society' synonymous with 'charity' – even though the terms are often used interchangeably.

Civil society is sprawling and diverse, from community groups and social movements to legally registered charities, co-ops, Community Interest Companies, and

Companies Limited by Guarantee. Technically, it includes faith organisations, trade unions, political parties and educational institutions – though these are often left out because they are large enough to be sectors unto themselves. I will use the term 'social sector' as the aggregation of constituted organisations that sit within and enable wider civil society.

How does civil society drive social change?

When we think about how civil society drives reform, we tend to think about the heat and noise of protest, petitions and the lobbying of ministers. Yet, if you look at how civil society actually drives change – as we have done[1] – you can see that reform is pursued through a more complex and nuanced set of activities.

The vast majority of time and energy in civil society is expended working with individuals, families and communities. Some of this is relief – food banks, crisis loans, support lines, refuges, hospices and so on. Most is aimed at reform – helping turn lives and communities around so that people are less dependent, more mutually supported, and can enjoy a better and more sustainable quality of life. Civil society brings a huge amount of creativity and resourcefulness to this work, not least by securing the support of nearly 20 million volunteers each year. Its deep and myriad responses to Covid have been revelatory to many.

It is also this experience that civil society then uses to drive wider systemic change. It works 'behind the scenes' to help statutory service providers and commissioners understand what is happening 'on the ground' and acts as an early warning system for 'bad' policy. Civil society also helps people access their statutory and legal rights and protections, and connects

[1] Social Power, Sheila McKechnie Foundation, 2018

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them to the democratic process.

When necessary, civil society will also use this experience to act in the public realm. It will challenge where it sees policy do harm, or where it believes existing laws, rights or protections are being breached. It also works to influence public attitudes and build political pressure for change. This work – helping shift the so-called 'Overton window' – is vital to government. William Hague talks openly about the central role activists played in helping him secure the Disability Discrimination Act[2], for example.

Reform is not just the noisy stuff – it is woven into everything this sector does.

Our direct experience of working with people and communities provides both the impetus and the case for change. This means service provision and campaigning cannot be separated, as we are encouraged to think. It is impossible for civil society to 'stick to the knitting'. Doing so would cause everything to unravel.

This wide-ranging role in reform means the relationship with government and the state is one of tension. And so it should be. Both left and right feel discomfited. The left tends to dislike 'charity' and want to co-opt the sector into the state. The right is suspicious of the politics of the sector and prefers its scale to be small. Both are uncomfortable with the power civil society holds but need that power to improve lives and communities. So, they want civil society to do more but control how. And here – for government certainly – is the rub: how can we unleash the inherent power of civil society without letting go of control? The answer is that you can't. It is precisely this insistence on control that is constraining civil society power.

External control: civic space

There is a powerful narrative in political circles that charities in receipt of public funds should be precluded from using that money to campaign.[3] The stated concern is that such campaigning is too often in pursuit of issues that do not enjoy public support, or in the charity's own interests. Recent administrations

have sought ways to limit charity voice. The measures introduced have been very effective.

The Lobbying Act, introduced in 2014, requires charities to register in the run-up to elections if they plan to campaign politically. Unlike private companies, charities are already prevented from being politically partisan by law, so it's a heavy-handed response to a vanishingly small problem. And it has had a marked impact on the sector's campaigning, as we have evidenced.[4] In 2016, the Cabinet Office introduced 'anti-advocacy clauses' to government grants to stop the funds being used for campaigning, advocacy or even 'awareness-raising'.

Aside from being wrong in principle – I think it is a good use of public money to enable civil society to be active in public and political debate – these measures are also wrong in practice. They tend not to stifle the voices they don't want hear – big and well-resourced charities can navigate these measures. But they are silencing smaller and often local charities that can't afford professional advice, and are closer to their public funders. This means government is losing invaluable testimony, experience and wisdom from charities working close in people's lives and communities.

That the Government is now turning its attention to public protest and the judiciary suggest that attempts to limit the voice of civil society have nothing to do with the responsible use of public money, in fact, and everything to do with controlling public debate and reducing challenge.

It has described Extinction Rebellion as a 'criminal gang', is looking to weaken legal instruments such as judicial review, and has started to decry 'activist lawyers' and 'do-gooders'.

The party of 'free speech' has now threatened civic space sufficiently for it to be listed by Civicus as 'narrowed'.[5] Last year, 87% of civil society campaigners said they thought the space to campaign was under threat.[6]

[2] The Reunion, Disability Campaigners
[3] C Snowdon, Sock Puppets, IEA Discussion Paper No. 39, 2012
[4] The Chilling Reality, the Sheila McKechnie Foundation, 2017

External control: money, value, and accountability

There are other drivers that are also pushing civil society into a more transactional model – less witting but no less effective. They involve the ways in which the sector is being understood, valued, funded and held to account.

Under New Labour, public investment into the social sector grew through a rapid increase in commissioning. Social sector organisations are well-placed to deliver services but must bid on the same basis as private sector providers. Yet civil society does not work in the same way as the private sector. It works in ways and goes to places that both the public and private sectors struggle with, often where traditional market models simply do not work. Both the model and price offered are distorting the sector, forcing money to the top as bigger organisations use reserves to underwrite tenders.

These trends have been exacerbated by a focus on impact measurement, largely driven by investors looking to understand optimal return on investment. I have no argument with attempts to understand impact but, again, approaches have been based on commercial models that aren't fit for purpose. Some outputs are relatively easily converted into £ signs, such as volunteering, but such approaches struggle to account for the reforming work of civil society, where the value resides in intangibles like relationships and trust, or the shifts in policy, attitudes or aspiration that civil society's reforming activity secures.

It is useful and timely for this Commission to think afresh about how to measure the true value of civil society. My encouragement would be that this is based on all that civil society does – not just the services it provides or the volunteers it recruits.

Even better, the Commission should ask what role this sector plays in the economy as a whole.[7]

It's also time to re-balance and grow public investment. Since 2010, commissioned income into the sector has remained stable but grant funding has rapidly declined. This is the money that helps support the core activity of civil society, and helps ensure its independence. We need more of this type of investment, particularly in areas that can help develop and strengthen the sector such as tech and innovation, just as the state invests in the private sector.

A new settlement with government

Not all the constraints to civil society power are external, of course. There are things that the social sector itself needs to be better at, and it is right that we are asking ourselves some pretty challenging questions at the moment (look at the report of the independent inquiry into the future of civil society led by Julia Unwin, for example).[8] But this Commission is an invaluable opportunity to engage externally, so I want to focus there.

If the Government is serious about 'levelling up' (and we need it to be) then it is absolutely right to look to the social sector and wider civil society, and the private sector too. Each has a role to play as the state continues to creak and the 'safety net' fractures. But civil society in this country cannot play its full role if it is reduced to a mute extension of the state.

We can see the possibilities if we look at local government. There, the urgent needs created by Covid have started to transform the relationship between civil society and local government. Officials could see that local charities and voluntary organisations were much better placed to step in quickly and effectively. This encouraged a 'letting go', a suspension of some of the red tape.

We have heard of local authorities talk about themselves as not a controller but an enabler of civil society - signposting people to local organisations

[5] Civicus Monitor – https://monitor.civicus.org/
[6] SMK Campaigner Survey 2019
[7] K Evans, "Value beyond money", blog, Children England 2016
[8] Civil Society Futures, The Story of Our Times: shifting power, bridging divides, transforming society, 2018

providing support, for example – working in mature partnership to respective strengths.

This could be the national relationship too, but it seems not any time soon. That the current UK Government has a dim view of civil society could not be better illustrated by its response to the sector during this crisis. Just £750 million made available against an estimated £10 billion (and growing) gap.[9]

Those in a position to know say that this is in large part because the Government just doesn't understand the sector, as well as having an instinctive distrust.

One of those who knows is Danny Kruger MP, who wrote the last Government's Civil Society Strategy. His recent report calls for what he calls 'Community Power' and it makes some useful recommendations. Unfortunately, it does not address the explicit threats to civic space, nor the growing rift between civil society and central government as all doors remain firmly closed.

With entrance barred and the mood music so negative, it is inevitable people will look for different ways to make their voice heard. Already, civil society actors are turning to legal action, public protest.

We are in febrile times. It is an act of gross negligence to encourage such a stand off. It simply doesn't work to seek a positive relationship with civil society at a local community level but shut down engagement at a national level. Nor to ask for our help with relief, but to close down our role in reform.

Unleashing Social Power

At best, and when working without constraint, civil society is a place of extraordinary creativity, resourcefulness and determination. At best, it unlocks resources, realises assets, gets upstream of problems, and builds capacity and resilience. It builds the relationships, trust, engagement, hope, and momentum that make change possible – whether in an individual life or for the whole of society. My organisation calls this capacity 'social power'. And it is our firm belief that *social power* holds the keys to tackling some of our most urgent and critical challenges, from tackling knife crime and obesity levels to

polarisation and the climate crisis.

Unleashing social power means recognising and protecting the independence of civil society, allowing it to act and speak freely. It means treating the social sector with respect, recognising how it works, where its value lies and funding it appropriately. It means being allowed – and having the confidence – to stand tall and work not as a poor relation, but as an equal partner to the public and private sectors.

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[9] H Whitehead, "Charities face £10bn funding gap over the next six months due to Covid-19", Civil Society News, 10 June 2020

Civil Partners: optimising outcomes across the private, public and social sectors

Inclusive localism: communities' place in a globalised world
Professor Raghuram Rajan, University of Chicago Booth School of Business

The importance of reciprocity in gluing society back together
Rt Hon Professor the Lord David Blunkett, University of Sheffield

The power and potential of places
Marvin Rees, Mayor of Bristol

Business is back in the community
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Civil society and business: a two-way street
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Imagining better: prioritising people and planet over growth
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The 'dugnad' spirit: valuing the invaluable
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From 'sectors' to 'system': partnership working and civil society's role in tackling inequality
Rt Hon Andy Burnham, Mayor of Greater Manchester

Inclusive localism: communities' place in a globalised world

– Professor Raghuram Rajan

Much of the disillusionment displayed by those living in 'left behind' parts of advanced economies is directed towards the process of globalisation. But the answer lies not in retreating to protectionism, but rather in reinvesting in local communities and giving people more control over their daily lives. By doing so, the US, UK and others can re-establish support for more open economies.

As new technologies integrate markets across the world, making them more competitive and more demanding, small manufacturing towns in industrial countries bear the brunt of the disruption. Their big employers move factories overseas or automate operations and reduce workforces. While this trend started decades ago, the expansion of China has significantly accelerated the process.

Historically, markets have created new jobs as they destroyed old ones. Unfortunately, the new jobs today are typically emerging in the service sectors of flourishing megacities like London, not in single-employer-dominated manufacturing towns where job losses have been most acute.

Naturally, those who have been left behind are angry, focusing their ire on a system they think has pummelled them unfairly. In response, a clamour for deglobalisation has begun and the world is becoming less open as a result.

Yet even as countries turn inward, Covid and climate change suggest global cooperation will be required to a degree never seen before. The further closing of the world would make this kind of cooperation virtually impossible.

Fortunately, there are ways to restore faith in the open market system that has brought the world so much prosperity and many of the answers lie in reviving the very communities that have suffered under modern globalisation.

Top-down solutions devised in remote capitals do little, however, to tackle the impediments to recovery. Locals typically know far more about what needs to be fixed—and they must be empowered to help their communities pull themselves up.

Technological change is disruptive, not just because it destroys old jobs but because it alters significantly the capabilities needed for new ones. Advanced training in science, technology, maths, or highly developed interpersonal skills have become necessary to succeed. Local institutions that can impart these skills are also dragged down as a community experiences job losses, unemployment is just the beginning of a vicious cycle of decline.

A 2017 study of areas in the USA that suffered large trade-related unemployment found that as economic opportunity declines, social disintegration increases. Unemployed workers are unattractive partners; consequently, there are fewer marriages, more divorces, and more single-parent families. Broken families, loneliness, and the associated despair often lead to alcoholism, drugs and sometimes crime.

A declining community is unable to support local schools, both because of a shrinking tax base and because parents in stressed families cannot provide their children with a good learning environment at home. Meanwhile, the few firms left in the community have little ability to provide mentorship, financial support or apprenticeships.

As institutions deteriorate in quality, they cannot help unemployed workers retrain. Worse, without good schools, children have bleak prospects. People who have the means to go, leave for

thriving areas elsewhere, taking their children with them. This secession of the successful leaves the rest further mired in poverty and unemployment.

In a world with limited mobility, policies ought to be directed at reversing these vicious cycles, resurrecting communities so that there are more jobs, and capability-creating institutions like schools and colleges thrive again. Fortunately, technological change, which created the imbalances in the first place, can be instrumental in the resurrection, helping to build a more sustainable capitalism.

As markets have integrated, spanning regions, then countries, and then the world, the power to make decisions has moved away from local political entities toward national and international structures. In the 19th century, for instance, support for the unemployed used to be provided by the local parish. Community solidarity, coupled with local knowledge and information made it work, the community helped families that had fallen on hard times.

However, as markets became more integrated and recessions became deeper, communities were overwhelmed. Only regional or national governments had the resources to provide support. Naturally, if they were called on to provide support, they wanted the power to set the rules.

Similarly, as interregional trade increased within countries, firms pressed for seamless regional borders and common national regulation and taxation, after all, financial firms find it harder if each locality they operate in regulates compensation, liquidity and minimum capital differently.

Throughout the 20th century, the governments of industrial countries centralised power. Emerging markets are now doing so too. In turn, as globalisation has accelerated, national governments have given up some of their powers to international bodies and treaties. For example, the EU limits the discretion of individual member states so that firms face similar harmonised regulatory environments across the union. While some harmonisation is beneficial, centralisation, indeed globalisation, of governance has obtained momentum. National and international administrators, egged on by

powerful large firms, find restraint difficult. The recently negotiated United States-Mexico-Canada Agreement, for example, mandates that Mexico ensure internet companies are not liable for content their users post even though this is still being democratically debated in the USA. Top-down imposition is even more common within countries.

The net effect has been a steady disempowerment of local, and even national, government. It is hardly surprising, therefore, that voters have directed their anger at distant authorities and embraced populists closer to home. The Brexit slogan that resonated in the devastated Northern towns was "Take back control", not just from Brussels but also from London. People wanted more democratic control over their futures after decades of market forces pummelling them.

If governments want to preserve the global integration of markets, they may have to give up the hyper-integration of governance. They must be much more careful about new international agreements, especially if they go way beyond low tariffs.

The goal should be to bring more powers back to country level, provided global markets remain open.

Yet the devolution of power cannot stop at the national level.

Capitals must devolve power and funding further so that communities can re-instil a sense of engagement and identity in their members.

Delegation should be guided by the principle of subsidiarity, which requires decisions to be taken by the lowest level capable of taking them effectively. So, for instance, communities will not decide their own auto emission standards.

That should be a national decision. But what businesses will be licensed to operate locally and choices over minimum wages, qualifications, operating hours and benefits (obviously all above national minimums) should be a community decision.

Devolution of powers will be hard, especially since strong interests prefer centralisation. However, sensible devolution on issues such as education, business regulation, local infrastructure and funding is critical to community revival.

If smaller towns and semi-urban areas depend only on local demand, there won't be many new jobs. However, if the menu includes national or global demand, there are plenty of possibilities. Technology helps connect the local to bigger markets, online platforms allow small enterprises to advertise niche products across the world. For instance, an Amish family in Ohio, have built a flourishing business selling high-tech horse-drawn farm equipment, a niche market if ever there was one. The buyers? Other Amish farms across the USA.

Such enterprises need continued easy access to national or global networks through online platforms like Amazon and Alibaba, but these are also gaining in market power. Small entrepreneurs can share some of their profits with the platform, but when platforms replicate a successful seller's products and offer them under their own brand, while charging high fees off others, they make it much less attractive for such enterprises to start up.

To make the platform space more friendly to small entrepreneurs, antitrust authorities should be vigilant. For instance, mandating interoperability across networks will allow small networks to challenge large ones, keeping them competitive. Faced with breakup or interoperability, giants like Amazon might choose the latter. Allowing clients to own their data and to share them with other platforms (as the EU is in the process of doing in financial services) will also keep clients from getting tied to a provider.

Successful small enterprises can help lift a sinking community, not just by providing jobs but because they belong fully within it and can help support its activities.

In the past, large corporations also provided such help. Local management was given substantial autonomy, and they worked with community leadership on issues of mutual interest. However, as technology improvements have allowed headquarters to respond quickly to local developments, more staff resources have moved to the headquarters in big cities where they can service corporate units across the country more efficiently. Each local unit is left with far less autonomy.

Left-behind communities in industrial countries face similar challenges to those historically found in underdeveloped countries, but they have an important advantage: they are located in rich countries. The easiest way to generate economic activity is to restore community links to thriving national and global economies so they can piggyback on broader growth. While there is no magic formula, four elements that appear repeatedly in successful revival efforts are leadership, engagement, infrastructure, and funding.

Finding effective leaders is difficult because existing leadership is often paralysed, and many capable people have left. Indeed, one of the main arguments against devolving power is that the available local decision-makers are incompetent and corrupt. Yet, even in seemingly hopeless situations, local leadership can emerge. Chicago's Pilsen neighbourhood was a war zone in the late 1980s; 21 different gangs fought each other on a two-mile stretch of the main thoroughfare, with horrific death rates. In Pilsen, new leadership emerged from desperation: a group of young community members chose one of their own, Raul Raymundo, to lead the Resurrection Project. Three decades later, he is still there, having attracted hundreds of millions of dollars of investment.

Pilsen's leaders engaged the community to lobby licensing authorities to close down bars where criminals congregated, involved local businesses in creating training opportunities for youth as an alternative to crime and encouraged locals to report criminal incidents to the police collectively so that gangs could not target individual informants. As Pilsen crowded out crime, businesses crowded in. While Pilsen is not rich today, many residents have decent livelihoods, the community is safer, its schools are better and its children have a future.

Such communities need creative ways to draw able people back and increase the talent pool from which such leaders can emerge. Those leaders can draw communities into focal projects, such as reducing crime in Pilsen.

New technologies can help hold leaders accountable. Engaged communities can use information technology to monitor their officials, thus curtailing corruption and laziness. For instance, the 'SeeClickFix' app allows residents in Chicago to photograph and upload the location of a pothole, graffiti or an abandoned car to the municipality website. It stays there until an official fixes the problem.

Physical and digital infrastructure is also important. The UK government plans to spend billions to link hollowed-out towns through road and rail with flourishing regional centres like Manchester. This shows that not every decision needs to be local but that taking local needs into account when reconfiguring infrastructure is vital and can be transformative. Access to digital broadband also must be remedied if economic activity is going to be better distributed geographically.

Communities in economic decline may not have much ability to raise new taxes, and financial support from governments or bodies like the EU or World Bank comes with significant strings attached on how it must be used. To facilitate local input into spending decisions it is better that money comes in the form of government grants or private philanthropies free from spending constraints.

The community can still be held to performance standards, but it should have freedom to decide what to spend on. The current US administration's proposal for tax-incentivised investments into 'opportunity zones' could work if investments are designed in cooperation with community leadership to address actual needs. Without any community involvement, however, they may just be an ineffective tax windfall to the wealthy.

Healthy local communities can also help mitigate conflict as people from different cultures come together in increasingly ethnically mixed industrialised countries. Populist nationalists inflame majority groups with fears that their culture will be diluted. They want the

majority culture to be imposed throughout the nation and immigration restricted severely so that their culture is not diluted. Countries like Canada embrace a different choice: to celebrate culture within community. Any choice should be respected so long as everyone is united by shared national values and no one is deliberately excluded. National governments can help, preventing communities from segregating by enforcing laws against discrimination.

Ideally, the community should have boundaries, giving its people a sense of empowerment and belonging, but kept porous enough that goods, services, and people can flow freely across them.

An inclusive localism may be the best answer to the challenges from technological change and globalisation.

Sustainable capitalism is not just about competitive markets. It is also about the societal underpinnings that allow most people to benefit from them and give the markets their democratic support. Rather than closing borders and abandoning capitalism, the leaders of the industrialised world must fix capitalism, starting with the communities it has left behind.

The importance of reciprocity in gluing society back together

– Rt Hon Professor the Lord David Blunkett

Throughout the world and over decades, putting communities at the heart of policymaking has faced challenges. Learning from the past is essential as we look to reinforce and develop the power of civil society as both a force for good, but also as a democratic element in reinforcing citizenship and therefore participative democracy, in the years ahead.

"If liberty and equality, as is thought by some, are chiefly to be found in democracy, it will be best attained when all persons alike share in government to the utmost."

– Aristotle

"A socialist society that is true to its egalitarian principles of human brotherhood must rest on the widest possible diffusion of power and responsibility so as to enlist the active participation of as many as possible of its citizens in the tasks of democratic self-government."

– Cole, G. D. H.

Since the outbreak of the Covid pandemic, much has been said and written about the response, not only of the established voluntary and community sector, but of many men and women in their neighbourhoods and communities.

Quite rightly, the human response and the 'pop-up' mutual aid groups have been seen as a shining light in an otherwise very dark period. But behind the mutuality and reciprocity that was the hallmark of certain parts of the early response to Covid in the UK, there exists an often unsung and unrecognised critical element both of our societal wellbeing and the functioning of our democracy: civil society.

In oppressive and totalitarian regimes, civil society often exists under the surface. The interaction of men and women within their own extended family groupings and in their neighbourhoods maintains the fabric of a functioning society when all else is failing around them, even in autocratic and antidemocratic nations. This is of course true in war zones, areas where conflict has been endemic for years, as well as in countries where those holding the levers of power see even informal interaction outside their control as something of a threat.

In democracies such as our own, there's been a paradox. You would expect those from the ideological right of politics to be strongly in favour of civil society. Certainly, David Cameron held out the image of the Big Society as he and his Chancellor, George Osborne, set about diminishing the role of the state and imposing eye-watering austerity measures on the people of the UK.

But funding activity at local levels to support the development and maintenance of social capital came a long way down the list of priorities. Local government clearly has a part to play in developing and maintaining the capacity of men and women to take hold of and have a say in what is happening to them and the community around them. Yet, under austerity, local government took the biggest financial hit of any part of the public sector, with the exception of the NHS, with a 25 to 30% reduction in funding.

Equally, Margaret Thatcher seemed to believe sincerely that if the role of the state was diminished, then philanthropy, coupled with person-to-person giving, would fill the vacuum. Her early experiment in diminishing government intervention demonstrated that the 'social' free market was anything but free to those who lost out.

On the left of politics too, both here and across the world, there has been complete ambivalence. For Marxists and neo-Marxists, the state is the vehicle for driving through radical change, top down, and the only vehicle for providing public services.

Modern apologists and techno-Marxists such as Grace Blakeley in her book *Stolen* see the role of government as all pervading, providing goods and services on the basis of need through a modern form of state paternalism. They are not alone. Beatrice and Sidney Webb, and the immediate post-WWII Government, believed that they should do the 'right thing' for people, driven from the top.

To be fair, the 1945 Government was not only dealing with the immediate aftermath of the war, but also dealing with continuing massive shortages in essential food and basic materials. Paternalism was understandable, if caricatured by Hayek in his 1944 book *The Road to Serfdom*.

However, since the Industrial Revolution, there has been a different strand of socialist and social democratic thought: one based on the reality of how people came together in the 19th century to create the goose and burial clubs, which were all about saving for Christmas or for providing for a respectful internment. The early trade unions, particularly the craft unions, were based on the same principles of reciprocity. Friendly societies accounted for not only a very substantial amount of self-help, but also engagement over a staggering proportion of the population of the mid-to-late 19th century, as outlined by E. P. Thompson in his 1963 book *The Making of the English Working Class*.

Today we face a different challenge. While basic neighbourhood and community organisations, town and city-wide voluntary bodies and county associations still thrive, the pandemic has seen both eulogies to their existence and a massive shortage of resource and support to maintain their capacity. Social capital depends on people coming together, working together and learning together, including learning leadership skills. It depends upon the ability of people to draw down on the very different offers that they can make from their own experience and

capability. Yet today one of the genuine threats to the maintenance of civil society comes from people having to turn to social media in order to maintain contact. Isolation and fragmentation are inimical to building the most important asset we have in reinforcing civil society: people themselves.

It is in that light that we should view how best to reinforce and develop the power of civil society as both a force for good, but also as a democratic element in reinforcing citizenship and therefore participative democracy, in the years ahead.

There is a great deal to learn from what has been tried in the past, and where governments have genuinely attempted to reinforce valuable non-governmental activity.

From cooperatives and social enterprises, to neighbourhood budgeting (decision-making on the local use of public resources), to shared allotments and environmental protection measures, civil society has flourished with the right political attention.

Communitarianism has been seen, as it was when I was in government, as a soft underbelly and a diversion from 'getting things done'. Yet the mobilisation of the goodwill, commitment and togetherness of people is not only vital in filling the gaps and providing the innovation and enterprise so often lacking in government from the top down, but it's also essential for the very lifeblood of a functioning, civilised society.

That is why the Labour Government from 1997 undertook measures to support civil society that are now unsung and probably unknown. This comes from a long tradition for the party: in the 1980s Labour in Local Government was pioneering initiatives, spelt out in my own case in the joint works with Professor Geoff Green (*Building from the Bottom*, 1983) and *Democracy in Crisis: The Town Halls Respond* by Keith Jackson and myself in 1987.

In government, Hazel Blears and I were interested both in expanding and supporting the role of civil society in delivering policy goals but also in reinvigorating that sense of belonging and identity that is the crucial glue that holds

any society together. In our chapter in *Whose Government Is It?: The Renewal of State-Citizen Cooperation*, edited by Henry Tam, we drew on some of the examples that we'd been involved in, jointly and separately, to promote active citizenship.

This had started with the Government's establishment of citizenship and democracy as part of the National Curriculum. Although in many schools it has been taught badly or not at all, it was a major endeavour to ensure that young people were able to engage not just in theory but in practice. That is why I personally supported the initiative of the Coalition Government post 2010 to establish the National Citizen Service. It followed logically from my own earlier endeavours, including when, as a trustee of what was then Community Service Volunteers (now Volunteering Matters), I established a full-time programme entitled Millennium Volunteers.

In the Home Office, the decision to promote naturalisation as a very positive element of social cohesion led us to believe that those applying should not only have support in understanding British society and at least a basic grasp of English, but also that we should celebrate their commitment in naturalisation ceremonies. This, again, was all about ensuring that we saw that commitment to each other – our responsibilities and duties, not just our rights – as an essential part of making a difference and empowering people to be part of the solution to the challenges of the modern era.

Thinking back now, some of the initiatives that were undertaken from the then Education and Employment Department, the Home Office and latterly when Hazel Blears was Secretary of State at Communities and Local Government, were not very well presented or understood.

One policy of which I am enormously proud was neither explained clearly nor embedded in the national psyche. That was the original local Sure Start programme, the essence of which was drawing down on and reinforcing the strength of community, not just collaborative professional input from outside.

The Together We Can initiative from the Home Office in 2003 endeavoured to engage all government departments in facing outwards

and working in partnership with those committed to social improvement at local level. My own pamphlet, *A Civil Society: Are we nearly there yet?* published in September 2003, was a long-forgotten contribution to this objective.

Another example would be Community builders, which could be misinterpreted as an apprenticeship scheme for the construction industry! Meanwhile, Guide Communities was an important experiment that unfortunately was dropped before the demise of the Labour Government. It was all about those who had succeeded being able to act as consultants to other aspirants setting up their own neighbourhood and community action plans. Yet the title didn't exactly give away the intent.

But this latter point was that we did not employ Klynveld Peat Marwick Goerdeler (KPMG) or PricewaterhouseCoopers (PwC) to come in from outside as missionaries and tell people what they already knew. We used the time and talent of local people to be able to empathise and work with those struggling to achieve their own success. It was and surely is a symbol of faith in a very different approach to the current one of employing the same old, same old professionals, making a damn good living at the expense of the rest of us.

If anything is likely to counteract the alienation and downright cynicism of those who, in their despair, voted in large numbers in parts of our country to leave the European Union and to place their trust in December 2019 in Boris Johnson, it has to be a different kind of politics: a politics that is just as important in our relationships in civil society as it is in casting a ballot in an election, or taking part in formal politics and pressure group activity.

We now have a Conservative Government committed to more centralised fiat and diktat than any outside wartime, and a Labour Party that has just escaped from the leadership of a group believing that virtually all our essential activities should be carried out and directed by the state. The irony may be lost on many. Yet the country has demonstrated that at local level, in the hands of local people, real progress can be made and a counterweight can be provided to what hits us from an ever-present global environment.

We can't escape either from the high-tech companies – from the Amazons to the international financiers – any more than we were able to escape from Covid, but we can do something to counterbalance their effects, to protect ourselves and to promote our best interests.

And so to my conclusion: in a very modern sense, people's interaction, communication and sense of identity will be affected as much by their connectivity on social media as by their engagement with their neighbourhood, their friends and those with similar interests at a very local level. All the more reason, therefore, to look at ways of learning from the past, uncovering the best in new ways, and avoiding reinventing the wheel where things have seriously gone wrong – above all, to recognise that success comes from delivering with people, not to them.

The lessons from the community development programmes of the 1970s, and the substantial capital investment that failed to engage with local people through the New Deal for Communities programme in the 2000s, all point to the value of local sustained engagement.

Throughout past efforts by successive governments to bring about substantial restoration of the fabric of communities, long-term benefit has not been sustained because the people to whom the investment was committed were neither in a position to act as, nor embraced as, key partners in the driving force for change.

For the future, it will be important to pick up those experiments that worked well but often were not given sufficient long-term support to gain a foothold and become embedded as part of the accepted partnership between formal institutional and democratic processes, and informal civil society.

Therefore, it is not just about the important area of person-to-person contact and giving, but is also about scaling up, reinforcing and ensuring support from government.

As spelled out in this review of what civil society might mean in the future, I have sought to recognise that only central government can develop the resources and provide both the legislative and political clout to bring about the kind of democratic counterweight to global power that affects men and women in their dayto-day lives. But citizenship and consumer power, supported by an underpinning of those democratic processes, can be the difference between success and failure.

Above all, whether in social movements to combat climate change, or neighbourhood groups seeking to support the development of leadership skills to mobilise the talent around them, we have surely learnt that what you give, you get back in spades.

Building and understanding the importance of reciprocity can and must put the glue back into a fractured society.

The power and potential of places

– Marvin Rees

When local government puts civil society at the heart of what they do, it brings democracy closer to the people. If powers and finance are devolved effectively, local government can move from government to governance and build the conditions for civil society organisations to lead the places in which they live.

The advantages of a thriving civil society are often cited and the challenges facing the sector well documented. What's often less clear is how we practically go about strengthening civil society to support the more resilient communities from which we all benefit. With the apparent political will to reconsider how we govern, both nationally and locally, the 2020s offer us the opportunity to truly realise the potential of places.

This reimagining of how we govern places is something I have been pushing for since taking office. It is the reason why, for the past four years, we have been taking steps towards a new model of city leadership, one which includes civil society more fully.

Part of our city's journey has involved re-understanding what we mean by civil society and being clear about what it is not. It cannot simply be viewed as what is left over when the formal organisations, in particular public services, withdraw. The danger in taking this view is that you prioritise public services over an asset-based approach to communities.

Civil society includes those organisations that step forward with services to fill the gaps left by public services, but it is much more than that. We must recognise civil society as a good in itself. It can be considered both evidence of, and a source of, power and resilience in our communities, not merely responding to context but shaping that context.

In Bristol, we've put civil society at the heart of our approach to city leadership. I describe it as moving beyond local government, and the disproportionate focus on the formal political and public managerial structures, to city governance. City governance recognises that the city is led and shaped by a web of formal and informal decisions and non-decisions of many place-shaping actors, including unions, business and civil society. It treats power as a collective act rather than zero sum.

The challenge we have is to grow the structures and cultures that enable us to bring order to the complexity of the city's leadership landscape. We call this our 'One City Approach', in which civil society leaders are at the table as equal partners determining the city's priorities. That is where I believe civil society is in its fullness. It's found not merely in achieving a well-funded status or acting as a counterweight to the power of government or business, but as a true partner in governance, shaping the priorities and actions of other partners and helping to create the conditions in which civil society organisations can flourish.

The collective power we can leverage in places is considerable. In July 2016, I organised the first of what we today call our 'CityGatherings'. 70 to 75 leaders attended from local government and the public sector, education, business, unions and civil society. A quick calculation suggested that between us we employed over 70,000 people and had a financial footprint in the city of over £6 billion. I talked to the room about our interdependences. Our businesses need a resilient workforce. This requires good population health, which relies on strong health services, but is also partly determined by quality work, housing and strong connected communities. I asked the room

With all the influence represented here today, if we, this morning, decided to agree and focus our collective firepower on just three priorities for the city, what could we not do?

And that is what we did. These meetings now happen every six months and are the backbone of our collaboration in the city. We intend for them to have the culture of a 'village hall' meeting, where the city comes together to agree what we want to get done. Our collective focus is captured in our 'Bristol One City Plan', which holds our agreed vision of what we want Bristol to be like in 2050 and the sequence of opportunities, challenges and outcomes we need to meet year-on-year to get there.

We recognised that an empowered civil society strengthens communities and stronger communities are more resilient in the face of shocks, as we have experienced with Covid. This resilience is, in part, found in the networks of relationships that meet immediate needs.

In Bristol, we are fortunate to have had in place the network of relationships needed to face challenges long before Covid. An example of this is the collective effort to reduce food poverty in our city, in which community organisations, faith groups, businesses, as well as political and public sector leaders, jointly made a commitment, and contributed the resources necessary, to tackle hunger for our citizens. Our 'One City Plan' makes 2026 the year by which we:

[R]educe the need for foodbanks in Bristol by tackling the root causes of food insecurity (the ability to secure enough food of sufficient quality and quantity to allow you to stay healthy and participate in society).

In response we have run holiday hunger and food literacy programmes, while simultaneously taking on the food system with the aim of increasing the availability of locally grown food. I have made a political commitment, and business and schools are supporting the efforts, but the work is largely being led by the network of community organisations such as food banks and faith groups. They have not only distributed food but have been driving forward the work around how food is grown, distributed, consumed and disposed of,

recognising that each of these factors contribute to the conditions that make food insecurity more likely.

By the time lockdown hit, the structures that had been put in place in the previous years reoriented themselves to the urgency of the moment, getting food to isolated families while also helping shape the overarching Covid response. That is a city benefitting from the time taken to invest in relationships and make space for the leadership and priorities of civil society organisations.

Professor Robin Hambleton's model of the realism of place-based leadership and innovation zones in the modern city captures this relationship and has provided the intellectual underpinning of our approach.
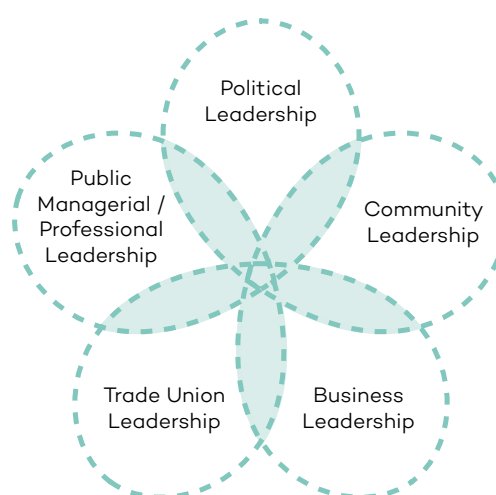
Potential innovation zones

The point Professor Hambleton makes is that this is not a Venn diagram where any circle can be pulled away without impacting the properties of the other circles. This diagram is made of one continuous line and weakening one will distort the others.

I have also taken insight from Stephen Covey's "The 7 Habits of Highly Effective People". In his book, the first three habits surround moving from dependence to independence and the next three habits focus on interdependence.

[1] R Hambleton, "The New Civic Leadership: Place and the co-creation of public innovation", Public Money & Management, 39(4), April 2019, 271-279

Covey asserts that dependent people rely on others to get what they want. Independent people are able to get what they want through their own effort. This is where we found the ambitions for civil society to have plateaued, in its movement from dependency on governments with all the power, to a state of independence where it can hold government accountable.

And yet the highest status according to Covey is actually interdependence, where people (and for the purposes of this essay I would say organisations and sectors) combine their own efforts with the efforts of others to achieve their greatest collective success. In Professor Hambleton's model this gives rise to what he calls "Potential Innovation Zones", where the most relevant, dynamic and successful leadership takes place.

Of course, no single sector or actor can make this kind of shared leadership a reality. It takes a cultural shift and has led in Bristol's context to our 'One City Approach'. It's what we sought in that first city gathering and what we have aimed for in the engagement with our city's voluntary and community sector in city leadership. For Bristol, strong doesn't exist in isolation.

This is not to be taken as a case for small government. It's a perverse exploitation of the benefits of a strong civil society to use them to justify the withdrawal of government investment.

But while this is not a case for small government, it is a case for government that distributes power – a sign of strong and confident government. The vehicle for this today is devolution. By devolving finance and powers to local government, central government puts that finance and power closer to civil society. If that local government is then minded to make the move from government to governance, you have the conditions in which civil society organisers can take up equal standing alongside governance partners and lead the places in which they live.

There are challenges to this. In the UK certainly it is not in the DNA of national politicians or civil servants to devolve power. The language of political leadership, and the journalistic commentary it dances with,

betrays the underlying belief that the solutions to our challenges are to be found in rooms in Whitehall and Westminster. The more complex and impossible the problem, the tighter national political leaders control information and grip decision making. I understand their fear - they don't want to depend on, and be accountable for, decisions made elsewhere. The irony is that this fear constricts innovation and creativity and the likelihood of success. We have seen this played out throughout Brexit and in the response to Covid.

Contrast this with our approach in Bristol where, in December 2019, Avon Wildlife Trust introduced an item at our City Office Environment Board on the need to protect nature. We invited them to consider what our city response should be and in February 2020, with the support of city governance partners, they brought to political cabinet a paper declaring an ecological emergency. The outcome is that Avon Wildlife Trust proceeded to lead partners from the public sector, unions, business and politics in writing Bristol's ecological strategy. The strategy was published in September 2020. It's an emergency that wouldn't have been recognised and prioritised, and a strategy that wouldn't have been written, without making space for civil society leadership. That innovation and success would have been lost to us.

Government has been increasingly using the language of devolution and grassroots empowerment. But we need to be very careful of illusory devolution. It comes like this: London-based civil servants channel money direct to grassroots civil society organisations around the country. For all intents and purposes, this looks like community empowerment, but it is not. First, it's a funding relationship not a governance partnership. The funded organisation must meet a criteria and performance framework that was not created in the place they work or with their influence. That is disempowering. Second, the money bypasses local governance and by establishing the line of accountability with London, rather than the place in which the work is done, it strengthens the distant powers of London rather than locally accessible powers of the place. The kind of devolution we need must focus on building the power of local place-based governance.

There is a final opportunity that extends from this. I have consistently argued that we urgently need international governance to move into its next iteration, one in which the leaders of cities are equal partners in shaping national and international policy.

My argument is not merely to give local and city political leaders the space to contest the power of national leaders. City power is closer to civil society. If cities have the platform to shape national and international policy, it brings that national and international policy closer to civil society. A global network of cities shaping policy on topics as varied as climate, migration, pandemic preparedness and urban security would offer a framework through which civil society can network and influence internationally. To me, that is possibly the most exciting opportunity, not least because I have come to the conclusion that what we face today is not merely a crisis of ideas but a crisis of governance, a turgid model built in the post war years that lacks the openness to change and the ability to take on today's challenges.

There is a very real threat of potential disengagement amongst many of our civil society leaders if we fail to work more effectively together. These are organisations that represent often vulnerable or marginalised people that public sector bodies cannot or will not. If we are serious about building more sustainable and resilient places, engaging with civil society offers unparalleled opportunity. In Bristol, we are already reaping the benefits and have trialled an approach that I hope other places can learn from. In spite of the challenges presented by the first year of this new decade, I look forward to what will be achieved in collaboration with civil society in the 2020s.

Business is back in the community

– Amanda Mackenzie

Business plays a crucial role in supporting communities and delivering social good, as they have done in various ways for centuries. Covid has emphasised just how essential they can be, and likewise just how essential a healthy society is to businesses. In recognising this mutual need, we can ensure that business plays a key role in helping society 'build back better'.

Business has played a significant role in supporting society and delivering social aims throughout history. Of course, not all business has considered its responsibility and not all leaders have been good ones. In the third decade of the 21st century, the realisation that a healthy business, successful over the long term, can only exist if it takes its responsibility to provide good work, an inclusive workplace and a sustainable environment seriously, is at last taking root. In fact,

> **a business that will thrive in the future needs to make its responsibility to society and its ability to deliver social aims intrinsic to the way it operates.**

150 years ago, some of our British ancestors created companies with the realization that their success and the success of the community around them were inseparable. The enlightened ones – Salt, Lever and Cadbury – looked after their employees. They gave them free health and dental care, housing and schools. Lever even gave his workers shares in his company and created a clawback system for inappropriate behaviour (it took more than 100 years for the capital markets to catch up).

They were the enlightened of their day. It was, of course, at a time when many men, let alone women, did not have a vote by virtue of not owning a home and very few rights were shared by all. The nature of their leadership was visionary for its time but paternal in the extreme. Nonetheless, it recognised that support for society was necessary and that loyal, healthy workers would ultimately deliver value back to the company over the longer term. They really understood doing well by doing good.

Then the era of Corporate Social Responsibility (CSR) dawned. Companies began to be owned by several stakeholders, not just the founder, and as the number of owners of a company increased so did the pressure to make profit and returns in the shorter term. Good leaders realised that there was a corporate and social responsibility that every company should have, but it was somewhat 'side-of-desk' rather than at the heart of a company and its operations. Of course, at the start of the 20th century the impact of industrialisation on society had not been conceived, let alone the internet – which was three generations away from conception!

As time went on, CSR became more sophisticated as companies thought about their employees, their consumers, their communities or the environment. Yet their CSR departments were segregated and distant from the core business. In essence, it was a giant offset that the majority of the company could ignore. It was only 10 years ago that we saw companies such as Unilever taking bold steps with their ambitious Sustainable Living Plan and showing that CSR, purpose and profit should go hand-in-hand. In fact, it is only in the last five years that we have seen the shift from CSR to Environmental, Social, and Corporate Governance (ESG), allowing investors to ask the tough questions and make investment choices based on companies' credentials in these areas. Why are investors doing this? They do not want to have stranded assets.

Having said that, even if you want to be cynical and you really only believe that the stakeholder that matters is your shareholder, then surely enlightened self-interest makes you consider your supply chain, your employees and your customers.

Of course, some companies didn't need a prompt from investors, like Accenture using a data-driven approach to support women to progress in the workplace, Heathrow Airport Group using their academy to put almost 8,000 candidates through pre-employment training and over 6,000 people into work, or Jacobs outlining their Climate Action Plan to maintain and achieve net zero carbon and 100% renewable energy in 2020 and be carbon negative by 2030. Yet this is really only just beginning. I do feel the pioneers in sustainability are to be lauded. It was tough promoting a subject that many in business didn't get, didn't really care about and certainly didn't spend the time to understand. Their early efforts have led to the mainstream emergence of responsible business.

You could argue business has now come full circle, right back to the Cadbury and Unilever model minus some of the patriarchy. Even ownership of companies is being democratised through campaigns like Make My Money Matter; as a future pensioner, your invested funds can have a positive or a negative effect on society and you should have a say in where your money is invested.

In its rosiest terms, in 200 years or so we have gone from individual owners – the best of whom cared for their workers and acted as a substitute for civil society, which yet didn't exist – to 2021, when multiple owners can now use the inherent power in that ownership to ensure society is supported and social aims are achieved.

Business in the Community (BITC) – founded almost 40 years ago by the ever-visionary Prince of Wales and the brilliant Stephen O'Brien – was designed to ensure that there was a link back into the community from business. This was at a time when the world was 'globalising' by the day: call centres were moving to India, manufacturing was ramping up in China and, in the UK, the Brixton and Toxteth riots demonstrated that society was neither integrated or fair. BITC's original purpose was to encourage companies of all sizes to become more fully involved in the life of the communities in which they operated and to foster partnerships that could improve the quality of life in those local communities. It had considerable success and impact. As the community involvement of a company

increased, they also realised that a responsible business is one that considers a healthy environment and a healthy community to be inextricable. Good work, an inclusive workplace, wellbeing, sustainability and responsible sourcing and production were all ingredients of a responsible business.

There is no part of this that should be on the side of a desk. It is intrinsic responsibility. And the work of BITC continues today, helping companies to be the best they can at doing this and coming together to support the quality of life in our communities. I am in awe of some of the successful case histories of business working together with the local community that have been created over the years, such as the regeneration of places like Wisbech and Blackpool. Business can and should be doing this. Rather like keeping fit, the segmentation seems to be some people who do it without much prompting, others who get there with encouragement and, inevitably, 'the couch potatoes'. And then...

Covid came crashing in.

Suddenly, the world shrank and everyone noticed who lived on their street. The problems that society were facing could no longer be ignored as they were literally on our doorsteps.

The nation had to protect the elderly and the vulnerable. All at once, we were the community again. We were all part of it; business had to think rapidly about how it could play its part. The supermarkets were possibly the first to think 'super local' with special shopping times, extra care for the vulnerable, bonuses for their people on the ground for their extra hard work and expedited wellbeing programmes.

BITC created the National Business Response Network (NBRN), which links community need with business support like goods, services and logistics. The business response was extraordinary. 10,000 sandwiches a week, a shipping container and a half of Greggs produce and 40 industrial freezers from Iceland

were all given and delivered to food banks. BP gave over their IT department to repurpose physical technology that could then go to very deprived children who were home learning on mum's smart phone (if they were lucky). Suddenly, every employee in a company could see the impact their company was having, good and bad: what was its response to furlough, how thoughtful was it about the wellbeing of its people, and was it wholehearted in its deeds and not just words about inclusivity?

In terms of the role of business in supporting society and delivering social aims, I would say six words: business is back in the community.

Its relationship with society has proved to be profoundly interrelated. Like so many things, we only believe it when confronted by the empirical evidence. And that is what I think has happened throughout 2020.

For example, business has realised it does not need the resources it thought it did and the barriers to a dramatic reduction in carbon are being dismantled. Companies understand that they can do their business from anywhere so why not recruit where the need is greatest: in the left-behind communities that need the most support? Business has realised that, unless it develops and supports all its people equally, it will not have an employee franchise in the future. It will not have a thriving community for its goods or services.

Covid has magnified the efforts of those businesses supporting civil society and delivering social aims. This year has demonstrated that – even for those metaphoric 'couch potatoes' – it is time to get fit and ensure that business is back in the community to stay.

If business is back in the community, we need to make that permanent. We must ensure that this intrinsicality is as deep and genuine as it needs to be. BITC have carried out a significant piece of research over the summer about 'building back responsibly'. Our research outlined four ways in which business can play a significant part in achieving and accelerating social aims. There is nothing radical here, but achieving it will require determination, honesty, vulnerability and vision:

Using business influence and power in

recruitment and training:
- To tackle the inequality in education and employment
- To accelerate action in diversity and inclusion

Using business leadership:
- To elevate mental health and safety to be on par with physical health and safety
- To rapidly increase efforts to tackle climate change and build resilience

We will be working alongside business to share best practice, convene leaders and expedite efforts to achieve these social aims. It will be a giant collaborative exercise. There are so many great experts who can help achieve this; we must work together. But this cannot be great lofty words and no action.

Covid has shown us that, without a healthy community or a healthy environment, you can't have a healthy business.

This is far from new: businesses have been debating the notion of a broader definition of stakeholder for years. But anyone who has run a successful business surely will know there is no debate. I would rather like to emphasise the famous Nike phrase 'Just Do It'. And if you do, you cannot avoid considering the community around your business and that its health and success is inextricably linked to yours.

Perhaps it is time to draw those connections more boldly. Over the years, we have found that businesses often don't recognise the practical role they can play in being more responsible. Yet some of the greatest impact I have seen has been from companies that focused their attention on a particular place.

An extraordinary example of this is how Anglian Water reshaped the fortunes of Wisbech – a single Fens town – with the help of civil society. We asked every company at our awards dinner to nominate a town or city they were prepared to partner: 'where was their Wisbech?' Should we twin businesses with

places across the UK, giving each of them a home they can invest in? Could it be as simple as funding a business partner, a 'connector' for a town, who can bring together local business, government and community groups around a single vision for a place. BITC's years of proven success in this field has shown that such people are uniquely able to break down the barriers that often hold places back.

While business holds this uniquely powerful position, it can and must play a central, collaborative role in supporting civil society and delivering social aims. For this to happen, we need that old pioneering spirit, the power of democratised ownership and today's ingenuity rolled into one, with responsible business not just embedded firmly at our heart but running through our veins.

Civil society and business: a two-way street

– Heidi Mottram

Too often, the discussion around businesses' relationship with civil society suggests it is a one-way street. But in reality, the relationship goes two ways. From accessing local insight to exchanging expertise, civil society plays a critical role in the success of our business.

Being part of the community is fundamental to Northumbrian Water Group's history and DNA.

The roots of the company go back to the industrial pioneer of the North East, Lord Armstrong. He identified the need for the local population to be healthy if he was to have an effective workforce, and so investment in clean water supplies and sanitation began.

Two centuries on, we ensure that our 4.4 million customers in the North East of England, and in Essex and Suffolk, have access to the best quality water, while in the North East we also provide reliable and resilient sewerage. We have a critical relationship with our local environment – relying on natural resources and protecting against pollution. Our services are therefore still intrinsic to the health of our community, quality of life and the ability of people to live fulfilling lives.

Supporting our people to support our community – because we are all part of the same ecosystem

Businesses like ours play a critical role in local economies, providing public services and the infrastructure that enables them to operate. As the country began to respond to the Covid pandemic in early 2020, our teams put in place the water networks that enabled the creation of the North East's Nightingale Hospital, indicative of this important function.

We are fundamentally a local business, and as such we are a vital part of people's lives and livelihoods. Our core services are delivered within a defined geographical area. That means that our employees, their families and their friends are our customers too. Our assets run along every street in our regions. It's therefore simply not logical or possible to put a ringfence around our business that separates it off from the rest of the community in the areas where we operate.

We are committed to playing a full part in the life of our regions and using our resources to make a positive impact wherever we have opportunity. That's why our business has to be open to collaboration and partnerships if we are to achieve our purpose and live out the values that our employees and customers would expect us to hold.

Our experience is that the relationship we have with our community is one of mutual benefit.

There are many ways we add value in our regions beyond our core services. But equally, our business is stronger because of what the many organisations we work with contribute to our work.

Accessing local insight and delivering services better by engaging with civil society

Because of this relationship with our wider regions, it's entirely natural that we would encourage our people to contribute to our communities as part of their role within our business. That doesn't just give them a chance to do some good 'on the side'. It develops their knowledge and experience and enables them to do their day job more effectively.

Through our 'Just an hour' scheme we enable our employees to volunteer in our

local community. That work relies on having charities and community groups to partner with who can identify needs and opportunities for us to support. These include Age UK County Durham – who we work with to invite a group of older people in the local area to our head office for a hot meal and fun activities once every month. In Essex, we support homeless charity Sanctus with warm clothing collections, as well as fundraising each year. Meanwhile, colleagues in our northern and southern operating areas have completed 100 volunteer shifts for Blood Bikes, a charity of which I'm a patron, providing urgent blood and medical supplies for the NHS.

Through engaging with civil society, we also gain invaluable local insight. The people we work with through schemes such as these are of course our customers too. Taking the opportunity to get alongside and listen to them gives us a better understanding of their needs and aspirations, and means businesses like ours can do a better job of delivering for them.

For example, when we are carrying out major work on our infrastructure, we are conscious that we spend significant time and cause some level of disruption in communities. While we are working in those areas, we strive to not just deliver those schemes well, but to be a good neighbour as we do so. That means working with communities to ensure we have a positive impact during the time we are there. Local voluntary groups play a vital role in helping us to understand how we can do this, and we simply could not make an effective contribution without their knowledge and guidance.

When we carried out essential works on our sewers in Birtley, County Durham, we worked with the local community to identify how we could keep traffic disruption in the area to a minimum – and the relationships forged while in the area led to our employees and contractors helping with the redecoration of a community building and providing gifts for local families at Christmas. While implementing a recent flood alleviation scheme in Meadow Well, North Tyneside, we and our delivery partner ESH-Stantec held all our progress meetings at the local Meadow Well Connected charity's offices. The relationship led to us helping, alongside our own work, to remove large mounds of earth from a public open space and re-seed it with

wildflowers. That kind of partnership work makes it much easier for us to understand and meet local needs.

Exchanging expertise for mutual benefit

This is all part of being a good corporate citizen within our local area. But our engagement with communities has to go beyond what might be seen as traditional corporate social responsibility activities, or we would miss out on a huge amount that civil society has to offer.

Too often, the discussion around businesses' relationship with civil society suggests it is a one-way street

with businesses contributing philanthropically and sharing their expertise, predominantly for public relations benefit. I am absolutely convinced it is much more of a two-way relationship and our experience backs that up.

There are vital areas of work for us where we simply do not have the expertise or resources required to deliver effectively and we need to build partnerships with others. In these situations, we commission partners who can complement what we can offer in support of our work and for mutual benefit. Often it is within civil society, rather than other businesses or public sector bodies, where that expertise lies.

We engage StepChange Debt Charity to help our customers who may be struggling with their payments. This is the first partnership between a debt charity and a utility company. We know many people feel much more confident speaking to their experts and we can feel assured they will get the advice and support they need to help them address any difficulties.

Similarly, we work in partnership with land trusts and wildlife trusts to carry out conservation-related management on some of our reservoir sites. These environmental partnerships allow us to complement our capabilities with their experience and expertise – for example, working with Essex Wildlife Trust to reintroduce British black bees at our Abberton reservoir.

Fostering collaborative innovation to develop new partnership approaches

Working with civil society groups is a great way to develop new approaches to current problems. Rather than accepting things as they are, we team up with partners to generate different ways of thinking, and often it's within civil society that those great ideas are to be found.

Where the right organisations don't already exist, we've actually helped to create them, because our experience shows that is often the best way to deliver what we need.
Our Water Rangers scheme – the first of its kind within the UK water industry – uses volunteers to patrol 74 kilometres of watercourses to identify potential pollution issues. These volunteers care passionately about the local environment and working in partnership benefits both Northumbrian Water Group and the local community.

And in order to protect and preserve some of our own historic assets, we have supported volunteer groups at three sites that have now been turned into museums – Ryhope Engines Museum in Sunderland, Tees Cottage Pumping Station in Darlington, and the Museum of Power in Langford. These groups are committed to keeping these pieces of industrial history alive and sharing their knowledge, and with their support we welcomed more than 30,000 visitors to the museums in the past year.

We are seeing that civil society doesn't just provide the expertise to help deliver on some of our plans. It provides the knowledge and creativity to develop them in the first place.

Each year Northumbrian Water Group runs its Innovation Festival, bringing together thousands of individuals to tackle some of the toughest issues facing our industry, community and environment.

This event is founded on the ethos of open innovation. As such we invite a diverse group of people to engage with our teams, bringing their own ideas and experiences and taking back anything they develop that can be of use within their organisations.

As many people might expect, we engage partners from big tech corporations like IBM and Oracle, from suppliers within our own industry and from a whole host of universities. But equally valuable is the input from charities and community groups. Without the involvement of local rivers trusts, we wouldn't have come up with Dragonfly in 2019, a sensor we can use to detect a range of aspects of river water quality in rural locations. A prototype for this device is now in development. And without input from Northumberland Community Bank at the 2020 Festival, we wouldn't have thought up new ideas for supporting customers to manage their bill payments.

On an even bigger scale, when we set the ambition to eradicate water poverty (where customers spend more than 3% of their income after housing costs on water) in our operating areas, we needed partners to help us. This was a pioneering commitment in our industry, but because of that there was no blueprint for how to achieve the goal, and so finding the right experts was absolutely mission critical.

The obvious organisation to turn to for assistance was National Energy Action (NEA), the charity that had been tackling fuel poverty for 35 years. With NEA we established the national Zero Water Poverty Unit, with a three-year commitment to fund research into the issue, exploring and modelling different ways of eliminating water poverty for our customers. Together we're making great strides and sharing what we learn across our industry, with a full training programme developed for the water sector.

Encouraging others to tap into the same benefits

Charities and community groups are therefore playing a series of vital roles alongside our business today, working in equal partnership to ensure that we can fulfil our purpose while supporting them to deliver their own objectives.

And as a leading player within our regions' business communities we believe we have a responsibility to help and encourage others in the private sector to do the same.

When we started supporting the Refill campaign to cut down on plastic waste in 2018, we used our connections to make sure other major businesses in our regions were signed up.

And of course we have encouraged many other companies to join us in supporting WaterAid, the charity we helped create to provide clean water and sanitation in some of the most deprived communities around the world.

Throughout Northumbrian Water Group, our people play a leading role in external bodies including my own roles with the Confederation of British Industry (CBI), North East Local Enterprise Partnership, Castle View Enterprise Academy and Newcastle University. That's not a coincidence – it's because

we believe that we have a responsibility to engage with what's going on in our regions and use whatever resources we have to influence them for good.

A strong civil society is critical to the success of our business. In our case it means we have engaged employees, well delivered investment schemes, expert services, and well developed and effectively implemented strategies. It's essential to us and many others that the sector is strong, which is why I welcome the work of this Commission to ensure these types of partnerships can continue long into the future.

Imagining better: prioritising people and planet over growth

– Vicky Browning & Kristiana Wrixon

Government misunderstands civil society as something that takes more than it gives. Empowering civil society requires understanding it as a set of relationships – between people, places and sectors – and as an essential partner in creating social value.

> **"When we act not for profit nor because the law requires us to, but out of love or anger or creativity, or principle, we are civil society"[1]**
>
> *– Civil Society Futures (2018)*

Civil society is community

In the minds of many parliamentarians, civil society has developed a reputation as a group of organisations that takes more than it gives. This is the opposite of what we know to be true. Civil society is an act of community, it is an exchange between people of time, ideas, resources and skills that creates public benefit without private gain. It is not about give or take; it is about relationships.

However, civil society may have inadvertently contributed to this negative image by using labels to group the people we most often interact with that sound fixed and transactional, but are instead very fluid and transformational. Words like 'beneficiary', 'donor' and 'volunteer' describe an act rather than a person, and in the world of civil society people don't fall discretely into these categories but can occupy multiple groups simultaneously. People give and receive services, time, money and support at various points in their life – sometimes even at different times of the same day.

When we think of civil society like this, as community, it cannot be surprising to know that the majority of people in the UK are actively engaged in it. 19.4 million people volunteered in 2018/19, and with the mass mobilisation of local volunteering groups in 2020, it is possible that this year that number is even higher.[2] 65% of people gave money through sponsorship or donations over a 12 month period[3], and almost half of people engaged in social action by signing a petition.[4] Almost nine in 10 households have used a charity service at some point, and three quarters have used charity services in the last 12 months, although three in 10 did not realise the service they accessed was run by a charity.[5]

Despite this, many politicians do not take civil society seriously

Given that civil society as a whole is so deeply embedded in communities, and MPs' primary role is to serve their constituents, there should be a more symbiotic relationship between parliament and civil society. Yet, as has been much talked about over the last decade, civil society has found its political influence waning. Why? If civil society represents communities and is willing to offer its insight and expertise to policy makers, then why has it been so hard to get a foot in the door and a seat round the table? Why do representatives of the business sector get taken seriously on concerns about policy decisions which negatively impact businesses but the same cannot be said for the charity sector?

It is a reasonable assumption to make that this is in part because many people, including some senior politicians, do not value labour that does not result in a wage. Whether

[1] Civil Society Futures, The Story of Our Times: shifting power, bridging divides, transforming society, 2018
[2] NCVO, UK Civil Society Almanac 2020
[3] CAF, UK Giving 2019: An overview of charitable giving in the UK
[4] Ibid.
[5] www.cafonline.org/about-us/publications/2018-publications/charity-street-3

unpaid labour in the home, or volunteering, it is not given the same importance as labour which results in the accumulation of personal or organisational wealth.

Unpaid labour, such as childcare and housework, is the foundation on which the paid labour market is built. In 2016 the value of the UK's unpaid household service work was £1.24 trillion[6] and overall unpaid household service work was equivalent to 63.1% of GDP. Women carry out an overall average of 60% more unpaid work than men[7] and on average people in lower income brackets carry out more unpaid work than those in higher brackets. If the government prioritised unpaid labour based on how much it contributed to GDP, women and people on low incomes would be high up the political agenda. But that is not the case.

The backbone of civil society is also unpaid labour in the form of volunteering. From trustees to St John's Ambulance volunteers, from PTAs to the Samaritans, volunteers give their time freely to causes that they caredeeply about.

But while there is value in knowing, measuring, and shouting proudly about how much volunteering contributes to GDP, this knowledge alone won't bring civil society out of the political periphery. There has to be a parallel exercise, asking politicians to invest time and money in values like community, sustainability, safety and dignity.

Is improving impact measurement the real lever for change?

There is also an argument that more civil society organisations need to provide better cost benefit analyses of their work in order to demonstrate how investment in a service now will save money further down the line. Engaging in this kind of work is useful, but we don't believe it holds the answer to unleashing the potential of civil society. Many individual charities have for years been able to demonstrate how smaller short-term investment in preventative services reduces the need for much larger spending on acute services further down the line. But for much of the last decade, and certainly through austerity, it has been funding for preventative work that has been

cut quickest and hardest. All that remains in many places across the country in subsectors like mental health, domestic abuse and prison rehabilitation is crisis provision.

If we are to look outward to local and national government and ask how we can change our relationship with them, then the question is as much about aligning values as it is in redesigning policy.

As we look to heal and rebuild from the trauma of the pandemic, we need to answer and act on the question of which values we choose to base our economic model on.

Civil society is tackling some of our biggest social issues, issues that will lead to a better quality of life, it is at the forefront of medical research, it is facilitating connected, healthy communities, but because these outcomes are not monetised and often not seen as essential, they are pushed down the political agenda.

But another approach is possible. In 2019 New Zealand prime minister Jacinda Ardern announced a 'well-being budget' at the World Economic Forum. She said "we're embedding the notion of making decisions that aren't just about growth for growth's sake, but about how people are faring." It is this kind of thinking that is missing for current discussions about the economy and is one of the biggest reasons in why the social sector is not seen as an important partner to the Treasury.

We would like to see politicians develop policy based on a different set of values

Last year ACEVO published a general election manifesto with a difference. 'We Imagine Better' asked those elected to serve in government to root their work in seven core values: equity, opportunity, safety, community, love, dignity, and sustainability.

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[6] ONS, Household Satellite Account, UK: 2015 and 2016
[7] ONS, "Women shoulder the responsibility of 'unpaid work'", article, 10 November 2016

And in 2020, it is the actions that have arisen from these values, not just in formal civil society settings but in individual and community action, that offer us hope for building back better.

These are values we see embodied in civil society. They can be seen in the dignity offered by hospice workers to those at the end of life, in the love shown through fundraising efforts of Sir Captain Tom Moore and Dabirul Islam Choudhury OBE, in the safety provided by domestic abuse organisations, the community shown in mutual aid groups and foodbanks, and the passion shown in the campaign by young people to ensure they received fair exam grades.

Lockdown has shown us what we value

Lockdown has thrown a light on the things we value most, things that are too often dismissed as luxuries but are instead the mark of a well, healthy, happy society. Theatres, dance, access to green spaces, museums, community choirs, the local Scout, Woodcraft folk or Girlguiding troops; these are all part of civil society. When he was Secretary of State for Digital, Culture, Media, and Sport (DCMS), Matt Hancock called his department (home to the Office for Civil Society) the 'department that makes life worth living'. Civil society is already valued deeply by the public but only in lip service by the politicians that represent them. Bridging that gap will be a key question for this Commission.

If the potential of civil society is to be unleashed then power and resources have to be transferred to the people, places and communities that know how to use them to create the biggest possible difference.

For too long politicians on all sides have been preoccupied with the short-term and the easily quantifiable. Ambitious, large-scale, long-term policies are needed to tackle inequality and harm, and to create sustainable, thriving communities.

To unleash the potential of civil society it cannot be treated as a passive benefactor but as an essential partner. There needs to be investment in activity that is based on shared values and the creation of new definitions of success which prioritise people and planet over growth.

The 'dugnad' spirit: valuing the invaluable

– Marte Borhaug

Too often, businesses take civil society and the value it brings to them for granted, making it hard to work together. Companies and investors could learn much about the true value of civil society by following the principles of an Old Norse saying that encourages collaboration.

"I guess I thought you'd be here forever, Another illusion I chose to create, You don't know what you got until it's gone, And I found out a little too late"

These words are not clichéd relationship advice, but embarrassing evidence that I was a Chicago fan in my teenage years. The lyrics to their song "Hard Habit to Break" are glued to my memory and re-emerged when I sat down to write about the importance of civil society to a listed FTSE 100 company and major investor in corporate Britain.

Whether you like Chicago or not, these words are a reasonably accurate reflection of the relationship between big companies, investors and civil society. Despite grand gestures of partnerships and community support, civil society organisations tell me it is getting harder to work with UK plc.

Firms still want to collaborate with civil society, but on their own terms. In doing so, many businesses have replaced trust in civil society organisations' expertise, and knowledge of where they can have the most impact, with outcomes that best support the company and its brand. Even at Aviva, whose 300-year history has shaped us into a company that values the communities in which we operate, we have a long way to go.

A case in point is the research that underpins where we invest our money. We need to know about the risks and opportunities facing the companies, projects and governments we put our clients' money into. To this end, we source information from multiple sources, including civil society research. This brings insight that we use for our analysis – from the World Wide Fund for Nature's (WWF) Living Planet report on biodiversity loss[1] and the Zoological Society of London's investigations into deforestation[2] to Oxfam's report on the unequal impact of climate change.[3] But we rarely pay for it.

Instead, our research budget goes to big banks like HSBC or Barclays, who provide research on the outlook of companies, sectors and the broader economy. This is despite the fact that our own research found that sell-side analysts do not apply enough scrutiny to businesses' Environmental, Social and Governance (ESG) approaches. Consequently, price targets and ratings often present an overly positive view of a company's long-term prospects, which impairs the efficient functioning of capital markets. Over 40% of analysts said sell-side research has a detrimental short-term focus and only 35% believe it tackles controversial topics or offers negative assessments of companies when appropriate.[4]

Taking civil society for granted

"I was acting as if you were lucky to have me, Doin' you a favour, I hardly knew you were there, But then you were gone, and it all was wrong, Had no idea how much I cared."

The problem is a matter of perception.

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[1] R Almond, M Grooten & T Petersen (eds.), Living Planet Report 2020 – Bending the curve of biodiversity loss, World Wide Fund for Nature, 202

[2] "Companies failing to protect millions of hectares of tropical forest", Zoological Society of London, 17 July 2020 September 2020

[3] "Carbon emissions of richest 1 percent more than double the emissions of the poorest half of humanity", Oxfam, 21 September 2020

[4] "Aviva Investors proposes reform of sell-side research", Aviva, 17 September 2017

Companies often behave as if civil society should be lucky to get a hearing. They fail to realise it is the other way around.

To realise this, it is worth imagining the alternative.

In a world where civil society no longer exists, we would lose valuable information and expertise investors tend not to have in house. We would not know that over half (54%) of the biggest tropical timber and pulp companies do not publicly commit to protecting biodiversity and 44% have yet to publicly commit to zero-deforestation.[5] We would also not know that black people held just 1.5% of the 3.7 million leadership positions across the UK's public and private sectors in 2019, only a small improvement compared with 1.4% in 2014.[6] And we wouldn't know of the unethical and exploitative recruitment practices many migrant workers in the Gulf states are subjected to.[7]

Independent information like this is invaluable to investors, in part because the knowledge can have an impact on fund performance. From oil spills to corruption scandals, history is filled with examples where bad behaviours have had an impact on the bottom line. Being aware of poor performance can help investors engage with companies to drive change or divest if the issue can't be resolved to avoid future losses. Moreover, clients increasingly want their money to provide returns with a good conscience, investing in a way that aligns profit and purpose. The information we get from the network of civil society organisations is an essential part of that.

Be accountable

We would also risk not being held accountable for our actions. Every year, Aviva is ranked by ShareAction for our climate change voting.[8] InfluenceMap is now assessing investors on how they work with policymakers to promote sustainable finance policies.[9] Some might think of that unaccountability as a pleasant escape, but we see it differently. Society keeps us on our toes and makes us a more resilient company.

We would also lose the platform for voices of the stakeholders both we and the assets we invest in should serve, according to the UK Companies Act.[10] In my role, I speak to companies' boards and management, but we rarely get the opportunity to speak directly to workers in their supply chains or the communities that have been displaced by their latest mine or palm oil plantation. Civil society provides them with a platform, giving voice to the powerless so that we as investors can listen and respond.

Most importantly, we would lose the foundations on which companies are built. In Francis Fukuyama's 1999 work, Social Capital and Civil Society, he wrote: "Social capital is important to the efficient functioning of modern economies, and is the sine qua non of stable liberal democracy." [11]

Civil society and the organisations that represent it are part of a broader social and political system that impacts all the assets we can invest in. As the Harvard Business Review recognised, conflicts that arise within companies "can quickly escalate to national or even international proportions."[12]

The value in an Old Norse saying

All this begs the question: if civil society is so valuable, why don't we price it accordingly? How do we change the relationships and ensure we put a value on the invaluable?

It is clear that society, companies and investors need to put a higher price on the positive externality civil society provides.[13] Similar to how research and development activities can have positive effects beyond those enjoyed by the company or government that funded them,

[5] "Companies failing to protect millions of hectares of tropical forest", Zoological Society of London, 17 July 2020

[6] K Makortoff, "UK black professional representation 'has barely budged since 2014'", The Guardian, 22 June 2020 1 September 2020

[7] "Gulf: Investors representing $3tn in assets urge construction, hotel & petroleum multinationals to safeguard migrant workers", Business & Human Rights Resource Centre, 6 August 2020

[8] F Nagrawala & K Springer, Point of No Returns: A ranking of 75 of the world's largest asset managers' approaches to responsible investment, ShareAction, March 2020

[9] Sustainable Finance Policy Engagement: An Analysis of Lobbying on EU Sustainable Finance Policy, InfluenceMap, September 2020

[10] Companies Act 2006, HM Government

[11] F Fukuyama, Social Capital and Civil Society, The Institute of Public Policy, October 1999

the effects of the work of civil society span beyond those that paid for it.

We need to move from a transactional approach, where investors and companies work with civil society in a way that works for us, to a more collaborative approach.

As a Norwegian, I often talk about having a 'dugnad'. The term comes from the Old Norse '*dugnaðr*', which means help but has been used for centuries in reference to community action, with people coming together to get big things done, like building a house or harvesting. I help you today, you help me in future. It was based on a recognition that we have a common goal; we all pitch in where we can – time, money, expertise – and we all reap the benefits.

How can we apply the principles of dugnad so that companies and investors reinvent the relationship with civil society for today's environment? We need to listen and take action together.

On 24 April 2013, the eight-storey Rana Plaza factory building near Dhaka collapsed. The death toll from Bangladesh's worst industrial accident passed 1,100, while more than 2,500 were injured. It was the deadliest garment industry accident in modern history, but it wasn't the first. Just five months earlier, the Tazreen Fashions factory went up in flames in the Dhaka suburb of Ashulia. At least 117 died and more than 200 were injured. Between 2006 and 2012, more than 500 Bangladeshi garment workers died in factory fires.[14]

Non-government organisations tried to enlist clothing and fashion brands to sign a legally binding agreement to improve factory safety, but only two — PVH and Tchibo of Germany — joined. Then Rana Plaza happened. People knew of the risks but didn't listen or take action. Today we don't need to look far for future risks on the horizon, from climate change and inequality to biodiversity loss, where many companies and investors

continue to turn a blind eye to the realities presented to us by science and civil society.

A sustainable dugnad

I am hopeful that things can change.

In my career I have seen the power of a true dugnad – bringing people, civil society, companies, investors and governments together to solve problems.

In 2009, in an effort to improve the information companies provide about their sustainability practices to list on stock exchanges, Aviva helped set up the Sustainable Stock Exchange initiative, which now has 97 partner exchanges around the world all improving listing rules.

To get firms to do more to deliver on the Sustainable Development Goals (SDGs), Aviva, along with other investors and governments from the Netherlands and Sweden, established the World Benchmarking Alliance, which assesses and ranks the 2000 most influential companies in the world based on their contribution to the SDGs. The alliance now counts 150 members, from civil society organisations like Oxfam and WWF to research hubs like Stockholm Resilience Centre and investors from around the world.

To promote stronger regulation in the European Union, we sat on the EU's High-Level Expert Group with civil society organisations and policymakers in shaping the Sustainable Finance Action Plan, which is now being rolled out across Europe. And ahead of the 26th United Nations Climate Change Conference of the Parties (COP26) in Glasgow in late 2021, we are building a coalition calling for the creation of an International Platform for Climate Finance

[12] S Dorobantu & D Flemming, "It's Never Been More Important for Big Companies to Listen to Local Communities", Harvard Business Review, 10 November 2017

[13] An externality is a cost or benefit caused by a producer that is not financially incurred or received by that producer. See T Helbling, "Externalities: Prices Do Not Capture All Costs", International Monetary Fund, last modified 24 February 2020

[14] D Thomas, "Why Won't We Learn from the Survivors of the Rana Plaza Disaster?" New York Times, 24 April 2018

(IPCF), which will set up a way to help track capital and inform governments of their progress towards meeting the ambition of the Paris Agreement on an annual basis.

Show me the money

We must also involve our customers in this dugnad. What is civil society if not the people within it? However, the investment industry has not made it easy for people to see where their money goes or empowered them to effect change. It is no wonder that less than a third of workers realise their company pension is invested.[15]

People also find it hard to check where they are invested or get involved; despite that, 71% believe their investments can influence climate change, rising to 85% among Millennials,[16] and 45% would increase their contribution by as much as 3% if they knew their money was going somewhere sustainable. A dugnad with our customers can help us make sure that we build a better future we all want to retire into.

There is an urgency to get on with the dugnad. Civil society is under pressure. In recent years, there has been a perceptible rise in restrictions on the fundamental freedoms of expression, association and peaceful assembly that endangers civic freedoms, not just from state apparatuses but also from powerful non-state actors, including influential businesses. As companies and investors, we need to be courageous and stand up for the value of the invaluable: our communities and civil society.

[15] S Davidson, "British workers have 'no idea' how their pensions work as only a third realise workplace schemes are invested in the stock market", This Is Money, 25 August 2020 International Monetary Fund, last modified 24 February 2020

[16] Sustainable Signals: Individual Investor Interest Driven by Impact, Conviction and Choice, Morgan Stanley, September 2019

From 'sectors' to 'system': partnership working and civil society's role in tackling inequality

– Rt Hon Andy Burnham

Civil society is at the heart of Greater Manchester's response to Covid, reflecting the approach to governance that the city-region has developed over recent years. Further collaboration and a devolved funding solution will allow civil society to play a leading role in turning Greater Manchester's three 'sectors' into a 'system' to tackle inequality.

In Greater Manchester, and across the UK, civil society has been at the forefront of responding to the crisis caused by Covid. The sector's response has been incredible in its strength, its depth and the speed at which it mobilised. Civil society provided frontline services, with many Voluntary, Community and Social Enterprise (VCSE) organisations increasing operational capacity to support the most vulnerable and isolated, from the provision of emergency food, to advice and advocacy, to mental health support, to completing physical tasks on behalf of those shielding.

Just as importantly, in Greater Manchester, the VCSE sector has provided strategic input to the city-region's response structure and has led the way in demonstrating how sectors can pivot, collaborate and coordinate. Early feedback shows that around two-thirds of VCSE organisations have had to change the way that they work in the current crisis. Our VCSE infrastructure organisations have led on redeployment systems to provide direct support for people in vulnerable situations. Community Hubs have been established in each of our districts to provide food and medical supplies, and coordinate hardship grants for those in need.

As we learn to live with the virus, as a city-region,

> **we are determined that 'Building Back Better' means better for everyone. Better must mean rethinking how all sectors work together with our communities to ensure that the economy works for us all.**

Better must mean new approaches to addressing inequalities in health, wealth and opportunity. Better must mean reframing how we view economic activity; rather than just a series of financial transactions related to consumption and financial wealth, we must seek to understand and include charitable and unpaid work, as well as collective ownership and leadership, in our concept of 'economy'.

Greater Manchester's rich civic history is reflected in the established VCSE sector we have today. The city-region is home to nearly 16,000 voluntary organisations, employing around 42,500 people with a turnover of £1.3 billion. Over the last 10 years, the sector has suffered chronic under-funding and under-recognition, but during the pandemic, local organisations have faced new challenges and pioneered innovative solutions as part of the emergency effort. Through my conversations with civil society leaders, workers and volunteers, I have identified a number of ways that we can unleash the potential of civil society as we move out of crisis to renewal.

We must foster collaboration across sectors at the local level to find sustainable solutions to the challenges we are facing

Since well before the pandemic, as a city-region we have been working together to integrate VCSE sector leaders into project and programme governance led by the public sector. In our Greater Manchester Model for Unified Public Services, 'reform' includes putting civil society at the heart of services provided for people in communities. Furthermore, Health and Social Care devolution in the city-region has seen the emergence of partnership structures at a Greater Manchester level around mental health, with VCSE organisations welcomed into these structures and representatives coming together to form a Greater Manchester VCSEs Mental Health Forum. Co-design with expertise from civil society colleagues has helped to develop trust with local communities and extend the reach of services.

Civil society was, and continues to be, at the forefront of the response to the pandemic. We should ensure it is integral to designing our approach to recovery.

As we settle into a 'new normal' of services in neighbourhoods and communities, VCSE services and support offers should be embedded and resourced alongside public services, rather than seen as an 'add-on' or 'nice to have'. In our plans for the next round of Government spending, the VCSE sector is vital, from projects focussing on digital inclusion, to violence reduction programmes, to tackling rough sleeping and homelessness.

One way in which we can ensure this is achieved is through procurement. In partnership with local authorities, we are in the process of refreshing our Greater Manchester Social Value Framework. 'Be part of a strong local community' will be a key priority. This means looking at what opportunities there are in existing procurement systems as we move towards the concept of 'social value' being business as usual

for organisations across all sectors in the city-region. Social value has long been championed by the VCSE sector, but over the years the concept has been 'professionalised' and not enough support has been given to smaller VCSE organisations to understand, collect data on and report their social value. As a result, time and time again contracts are handed to national providers with little knowledge of the local context and zero existing relationships with local communities. Locally driven and social value-based procurement can help provide more sustainable funding for civil society at the local level and develop our ecosystem of services.

We need a sustainable, devolved funding settlement for the civil society sector that will allow us to adapt quickly to local challenges

While we are still expecting an increased demand for support after the 'first wave' of the crisis passes, civil society is facing a financial cliff edge with up to an £85 million fall in trading and income for VCSE organisations across Greater Manchester alone. In our submission to the Government's Spending Review, we made the case for a sustainable funding settlement for our communities alongside core public service funding, to address this gap.

Though the sector is undoubtedly under-funded, changes to how current budgets are spent would make a huge difference to the sector's ability to deliver. All too often, large grants are announced by Government but awarded to a select few national organisations, with little to no money filtered down to community-level organisations, which run on a shoestring. What's more, imposed conditions such as short-term grants and overly restrictive criteria on how funding can be spent are passed down to local organisations from disjointed and piecemeal pots of money, which is greatly limiting for small organisations who need to be able to adapt to the needs of communities they serve.

With a single-pot settlement devolved to Greater Manchester from the Government, we can ensure that decisions around how money is distributed are made at the local level, by people who understand the place and its people best.

In tackling inequalities across our communities, we should consult and allow ourselves to be led by civil society, which has by its very nature always been at the forefront of this agenda

Early on, we heard claims that the pandemic is 'a great leveller'; unfortunately, the opposite is true. There is now a substantive body of evidence that the worst effects of the Covid pandemic have traced and amplified pre-existing patterns of inequality in our communities. In order to draw together a body of evidence on tackling inequalities, inform recovery planning, and provide challenge to our work over the coming months, we have established a Greater Manchester Independent Inequalities Commission. The private and public sector have a lot to learn from civil society in this area. Greater Manchester's civil society organisations, like others around the UK, tend to employ relatively more people from groups who are otherwise under-represented, such as those of Black, Asian and minority ethnic heritage, women and disabled people, or those who have other work-limiting conditions, physical impairments or mental health issues. There also tends to be more diversity in leadership, particularly by women. The public and private sector often makes the mistake of viewing civil society as a sector that has the most to gain from partnership, but this is absolutely not the case, in particular when it comes to expertise in areas like equalities. Furthermore, as a public sector, we should use our voice and reach to give a platform to civil society's expertise, successes and concerns to influence wider agendas.

Digital infrastructure and data sharing must be seen and treated as a priority for civil society, just as it is in other sectors

As our lives and business transactions are increasingly mediated through technology, civil society often finds itself playing catch-up in terms of digital infrastructure and data sharing. This isn't due to lack of innovation; on the contrary, the sector is at the forefront of adapting to way the world is changing around us. Lack of research and development funding for the VCSE sector and weak structures for sharing data from the national to regional or local level, means the digital sector is often seen as completely separate from the VCSE sector. In Greater Manchester we take an 'ecosystem' approach to developing and applying innovation across sectors. There are some organisations doing brilliant work in this space; Reason Digital, based in Manchester, partners with charities, individuals and Corporate Social Responsibility leaders to combat major societal issues through digital innovation.

We must recognise the social and financial value of volunteering, harness the volunteer base built during the pandemic and support capacity at the local level

Before the pandemic, 461,800 people in Greater Manchester were volunteering for 1.1 million hours per week and it has been fantastic to see interest in volunteering growing in recent months, both in Great Manchester and nationally. More than ever, across the city-region, capacity for managing and coordinating volunteering is stretched. Formal, district-level arrangements have been set up in each of the 10 local authority areas with a VolunteerGM website established to direct users into arrangements by district. Informal, local mutual aid groups are also springing up all over the city-region showing an incredible citizen and community response to the crisis. As a Combined Authority, we have drawn up a one-year 'Living with Covid' resilience plan, in which we have committed to supporting the strengthening of volunteer management and coordination capacity across the city-region.

We need to better understand and support the 'ecosystems' of civil society in our places

The sector itself in Greater Manchester is organising as an ecosystem with a complex web of relationships built around a network of 'anchor' organisations with shared leadership. This creates a structure to allow interaction, dialogue and mobilisation at scale, with the 'scaffolding' of this ecosystem provided by VCSE anchor organisations. However, where they don't already exist, the public and private sectors must build bridges and make

links with civil society, to ensure that we are all pulling in the same direction and keep building on our current structures, so they can outlast the current emergency.

My vision, and that of other leaders across the city-region, is that within 10 years civil society will be recognised and valued as a critical part of the inclusive economy that has been built in Greater Manchester.

Civil society organisations will be seen as full and equal partners in a 'system' (not a 'sector') that is focussed on people and place, playing a vital role in addressing inequalities in wellbeing, wealth and living standards.

Unleashing Potential: making the most of our civil society

Structural improvements: ideas for supporting a thriving civil society

– Dan Corry

Making the most of the great potential for good that civil society offers requires marrying the passion and drive that exists within the sector with a keen focus on maximising impact. To get there, we need smarter regulation, investment in our social infrastructure and, above all, improvements in access to and use of data.

Britain would be a much better place if our civil society was performing at the top of its game. At its best, civil society provides many things other sectors cannot: humane services, support and a voice for the vulnerable, and wellbeing and social capital for our communities, to name but a few. It lies at the heart of a well-functioning society and democracy. But while all this is obviously a good thing, we should never be satisfied. If we want to do justice by the people and causes that matter, we should always have one eye on the 'best' or 'optimum' civil society. That means exploring new ways[1] to support the pluralist, campaigning and slightly messy world which is the social sector.

> **To unleash a civil society that does something like the maximum it could, we need to nurture a system where achieving social impact is incentivised and innovation and effectiveness are encouraged.**

Here I propose how we might go about achieving it, and how the government can enable, and not undermine, the chances of a thriving social sector.

Optimal outcomes

An optimal sector, whatever the sector, is one that allocates resources to get the most utility from what goes into it. This requires incentives and behaviours that help achieve this at an individual, organisational and sectoral level. It requires a degree of transparency about who is doing what and where, and it needs some way of comparing across activities and organisations. It's a tall order, and one that is not fully achieved anywhere – except in some fantasy, free market economic texts. Yet it does sort of work in some sectors.

Market forces play this role, to a degree, in the private sector. The market dictates that the best generally rise to the top and poor performance cannot be hidden forever. If you rest on your laurels a challenger will take your place. The ineffective go bust; replaced by bold new entrants with new approaches and new innovations. Shareholders, who want a good financial return, push firms as far as they can go. And everyone competes according to agreed and enforced standards, metrics and regulatory structures which allow comparisons to be made. All these elements, external to the firm itself, give signals that, broadly speaking, guide resources to the right place.

In the public sector, democracy does a very imperfect version of directing resources the right way. Politicians allocate resources to please the electorate, and if services are poor then policy makers get to know about it pretty fast.

The fundamental challenge faced by the charity sector is that the feedback loops found in both the private and public sector simply do not exist here.

There is no invisible hand of market forces to help calibrate the system in real-time towards productivity and innovation. For charities, the

[1] D Corry & G Stoker, The 'Shared Society' needs a strong civil society, NPC, April 2017

person who pays isn't usually the one who uses the service. If there is a customer, then it's the funder. But what would that make the beneficiary? The product? It's a slightly awkward model for putting user preferences at its heart.

Nor does feedback come from citizens saying what they think very clearly and publicly, as they might in the public sector. User voice is often very faint in the charity world, especially if the client can't really go anywhere else.

To the outsider, this absence of feedback loops must make civil society look like a random mess. The evolution of the social sector is driven not by the preferences of users or consumers, or even by efficiency or impact, but by something else altogether: passion and mission.

A heart, and a head

The passion and mission that drives people is perhaps the most valuable thing that anyone coming to the charity sector for the first time from the private or public sector must recognise. And passion is not always considered, or evidence led. So while every person who works in the sector wants to improve the world, they don't necessarily end up doing this in the most effective and efficient way possible. The result is that civil society is almost certainly creating less social good than it could do.

One response is to say that we should not care. The sector is about passionate people doing things of their own volition, outside the clutches of the state or the demands of profit-seeking. Surely charities have a right to exist and funders have the right to support them? So long as they're not hurting anyone, why not leave them alone to do as they wish? It's an argument of course but it would mean sacrificing a lot of the potential to do good that the sector has.

Another answer is to say we need charities to behave more like their private sector counterparts. This explains why some are attracted to more commercial segments of the sector, like social enterprise and impact investing. But while these are important, copying the private sector only gets us so far and can take us down dangerous alleys.

So, what do we mean by 'impact'? At its heart it's simply a case of capturing the extent to which the charity's activities are meeting its stated mission: for instance, the number of people the homelessness charity has directly helped get off, and stay off, the street.

How then do we improve impact given the voluntary nature of the sector and its lack of clear and sharp accountability to anyone? At New Philanthropy Capital (NPC) we face this conundrum every day. We can't just conjure up the natural feedback loops present in the private or public sector. But we can develop ways to mitigate the absence of them. As set out below, such an approach requires a stronger focus on regulation, institutions, social infrastructure and – perhaps most of all – data.

The power of regulation

There is a lot that regulation can do to nudge charities towards impact. For example, the Charity Commission sets out the obligations of trustees. We think they should be rewritten to focus far more on mission and the impact achieved for beneficiaries.

We also think charity trustees should be required to report each year on the impact their charity is achieving and how it plans to improve (with reporting requirements proportionate to size). Charities that repeatedly fail to demonstrate any impact related to their core mission should have their charitable status revoked.

Further, the Charity Commission should encourage anyone wanting to start a new charity to use its searchable register[2] to find others with similar aims in their area. They can then assess whether there really is a 'gap in the market'; if there isn't, they might be better placed supporting an existing charity instead. This is intended as a nudge to think about duplication, not a block on starting new charities.

To help charities embrace this impact agenda, the government should ensure support for things like the Inspiring Impact[3] programme (a joint effort between NPC, NCVO and others) that has already helped many smaller charities assess their impact and adjust their strategies accordingly.

The importance of political institutions

But for civil society to truly flourish we need institutional changes in the way government works.[4] All government departments should be thinking about the role of charities and civil society as they develop, implement and review their policies. For this to happen, there needs to be a strong body at the centre of government to champion the sector, and the minister responsible for promoting the social economy, charity, philanthropy, and community activity should be in Cabinet.

The civil society minster should enforce a new 'civil society policy test' via a dedicated Cabinet Committee. At all stages the committee would ask: could civil society help achieve this better than the state? And what does this policy do to civil society? Each public service should publish an action plan for involving the voluntary sector that is scrutinised by the relevant subject Select Committee and by the Charities Committee of the House of Lords.

The need for investment in social infrastructure, not just physical

We need to build up our 'social infrastructure' too.

The local physical and social networks – like libraries and parks, sports facilities, and meals on wheels – that enable connections to be made and allow social capital to grow, are just as important as roads, railways and broadband.

The government should prepare a social infrastructure index, looking at what is happening to social assets at the national and local level. At the very least, it will spark a debate about whether we are always cutting or investing in the right things. The much-touted planning reforms need to give due weight to creating spaces where people interact, get to know their neighbours and make new friends. In essence, we need to create spaces where 'acts of kindness' can take place.

If the replacement of EU funding is to be delivered by Local Enterprise Partnerships (LEPs), then at a minimum they must have decent representation from civil society, with guaranteed charity places on the boards. Better still to direct most money through councils (who are probably more interested in social infrastructure than LEPs) instead. It would also make sense for some to go through well organised local Community Foundations.

We have also argued – along the lines of the Charity Tax Commission – that the government should look hard at the idea of tax favoured Giving Zones or of making Gift Aid differentiated by geography.[5]

Data, data, data

Reforming our regulation, institutions and approach to social infrastructure is hugely important.

But to really understand the impact of the sector, we need to massively increase the supply and use of data.

Good decisions rest on understanding demand (need) and supply (funding, other charities), so we can concentrate finite resources on the better approaches. We don't have sales figures, share prices and the like, but we do have other data: the trick is to make use of it.

If we want to focus on where need is greatest, we need data on service demand. Good information can then influence where new organisations spring up and what they do, and how bigger charities direct their resources. This seemed a big ask a few years ago, but Covid has driven a new focus on data, including resources like our data dashboard.[6]

[2] www.gov.uk/find-charity-information
[3] www.inspiringimpact.org
[4] How charities can build a better Britain, NPC, July 2020
[5] www.ncvo.org.uk/policy-and-research/funding/tax-and-reliefs/charity-tax-commission

If we want to distribute charitable capacity in an optimal way, we need data to show us where service provision exists and where there are gaps. NPC's work shows there tend to be fewer charities per head in more deprived areas,[7] arguably where they're most needed. It's an under-researched area though, and we need much better and faster access to Charity Commission data on registered charities. At a local level, we need to think about how we can keep a better handle on other civil society organisations that are not registered charities.

If we want to allocate funding in a more efficient way, we need data on its distribution. Greater transparency on where grants are going would help funders tailor their giving in a joined-up way and allow due diligence to be shared. We think the government should back the excellent 360Giving initiative,[8] potentially going as far as obligating grant makers to publish their giving data as a condition of tax breaks. In addition, the government should publish where its own grants go on the 360Giving platform as well as publishing open data about the number of contracts (and their value) going to the sector.

Finally, if we want to understand what support works, we need data on the impact of different interventions and services. Purists say you can only address this with top of the range scientific methodology, randomised control trials or RCTs. But this is expensive and often disproportionate to what is needed, and there is in any case usually not enough data available. There are however, reams of administrative data locked up within Whitehall departments that charities could use to understand their impact. The Justice Data Lab – developed by NPC and run now by the Ministry of Justice – gives us a functioning model for how this could work, and the government should build on this success by setting up Data Labs in other areas.[9] We need lots of good qualitative data too; not least because it often gets us closer to the issue of what is causing the good result. Bringing good qualitative work together is a vital task.

Unleashing the potential of civil society

Pulling together the themes discussed above, NPC proposes the creation of a Civil Society Improvement Agency.[10] This would be run by and for the sector, with a remit and resourcing distinct from existing regulators. The emphasis would be best practice, good governance, better use of data, and promoting greater collaboration among charities and funders. One of the main tasks would be mapping the infrastructural needs of the sector across different geographies and subject areas and promoting greater collaboration among charities and funders. It could, for example, establish common approaches to metrics, sharing knowledge and evaluation findings.

Of course, not all decisions should be decided on the basis of rationality. Passion remains the heart of the sector. Sometimes you are inspired by the founders, moved by the cause, and decide to take a risk. But we would have a better, more effective sector helping more people if we had more data and using it became normal.

Civil society will always be messy, a bit random, very variable, and at times deeply annoying. But it can be marvellous, uplifting and it helps makes our society a decent one. We don't want to hem it in but with some of the suggestions here we could have a stronger and better civil society. And that is a cause worth dedicating oneself to.

Further reading:

- D Corry, *How do we Drive Productivity and Innovation in the Charity Sector*, *speech at the RSA*, NPC, 2014

- D Corry and G Stoker, *The 'Shared Society' needs a strong civil society*, NPC, April 2017

- D Corry, *Where are England's Charities? Are they in the right places and what can we do if they are not?* NPC, January 2020

- D Corry, *The case for a Civil Society Improvement agency*, NPC, 2019

- NPC, *Interactive Covid-19 data for charities and funders 2020*, NPC, 2020

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[6] www.thinknpc.org/resource-hub/update-interactive-covid-19-data-for-charities-and-funders/
[7] D Corry, Where are England's charities?, NPC, January 2020
[8] www.threesixtygiving.org/
[9] R Piazza et al., Data Labs Update: A new approach to impact evaluation, An update from NPC, NPC, August 2019
[10] D Corry, The case for a Civil Society Improvement Agency, NPC, September 2019

- NPC, *How charities can build a better Britain: submission to Kruger Review,* NPC, 2020

- R McLeod & J Noble, *Listen and learn: How charities can use qualitative research,* NPC, 2016

- R Piazza et al., *Data Labs update: A new approach to impact evaluation*, NPC, 2019

An uncertain future: the need to better understand the potential of civil society

– Dame Julia Unwin

The Covid pandemic has emphasised many of the existing fault lines in our society. Civil society responded nimbly to the crisis, but many organisations are left in a financially vulnerable position and this is damaging the whole fabric of our society. Allowing civil society to achieve its potential is not something that will come about by accident. We must learn the lessons of our past and engage in a collective effort to improve the world we live in.

When Civil Society Futures reported in 2018, we talked about the need for a renewed and re-energised civil society.[1] We argued that there was an urgent need for civil society to flourish, and that such flourishing would require changes in the behaviour, attitudes and practices of civil society organisations and others. While our work covered a huge array of issues, four key conclusions stood out:

- First, that place genuinely matters. People feel deeply rooted in their places, and passionately connected to their neighbourhoods. But our inquiry highlighted a shortage of shared and accessible spaces, echoing the findings of work by CIVICUS.[2]

- Second, that the changing world of work – and in particular the erosion of the feeling of belonging that a job has traditionally offered – is impacting people's sense of identity and affiliation. Given people's fundamental need to belong, the implication is that we need to develop alternative means of connecting in the years to come.

- Third, that civil society is made up not just of established institutions, but also new groups, networks and emerging – frequently challenging – movements. It's the interplay between all these different forms that gives civil society is strength, its capacity and its power.

- And finally, that the deep divisions that exist across our country are reflected within civil society. Divisions between towns and cities, divisions because of race and ethnicity, and divisions between the generations are all as evident within civil society as they are in wider society.

Importantly, we described the future as volatile and uncertain, predicting climate crisis, economic volatility and a great deal else. But, along with so many others, we did not predict a global pandemic with the far-reaching consequences we see today.

However, nothing that has happened during the pandemic has altered my thinking in terms of the four key conclusions. Instead, cliché though it is, the pandemic has provided us with X-ray vision, merely making clearer the fault lines, weaknesses and, of course, strengths that already existed within our society.

The pandemic revealed the absolute dependence of what we still call 'the state' on the actions and activity of communities and civil society.

There is no way that local authorities, hospitals, police forces and others would have survived without the active, engaged and rapid response of civil society organisations.

[1] Civil Society Futures was an independent inquiry that ran from 2017-18, taking in community events, academic research and online debate. The inquiry concluded in November 2018.
[2] A Firmin, M Tiwana & D Walter, State of Civil Society Report 2016, CIVICUS, October 2016.

Whether working to meet immediate need (delivering food, companionship and contact) or highlighting gaps and advocating for change, it was the explosion of social solidarity that characterised the first few months of lockdown.

Just as after a natural disaster, communities mobilised and helped. They did so with passion and, most importantly, with knowledge and care. Some observers may have been surprised, but those working in and round civil society knew about the depth and capability that always underpin our communities.

Churches, mosques and gurdwaras delivered food, councils for voluntary service recruited and deployed armies of volunteers (all with much more rapid effect than their statutory counterparts), and community hubs were established. And it was in the areas where interconnected networks of community organisations and local authorities were already flourishing that the real interdependence showed.

But while this all was rightly celebrated, the pandemic also uncovered uglier and more worrying truths.

It revealed, for instance, the vulnerability of the business models of all our great institutions. Just as the enormous pressures on the NHS risk overwhelming it, so too we came to recognise the perilousness of a culture of rigorous efficiency in relation to other institutions. Organisations that are only viable when working at full capacity have little to offer when times are hard and demand rockets.

Nowhere was this more evident than in relation to civil society organisations. Long challenged to widen their funding sources, trade and raise funds, too many organisations found their viability was at real risk when charity shops closed and fundraising events were forbidden. The terrible loss of income has hit all parts of civil society: major health charities have had to reduce their staffing, as has the National Trust; cathedrals across the country are contemplating very bleak futures; and local organisations, dependent on small amounts of funding, are struggling. Most particularly, newer waves of black-led charitable organisations and enterprises appear to be facing disproportionate

numbers of closures. The #CharitySoWhite movement has warned for instance that 90% of such groups will not exist at the end of this crisis.[3]

The lesson needs to be learned. As we move into a period of economic volatility and potentially more frequent shocks, a business model that is so readily undermined is not a safe or reliable one. The drive to 'sweat every pound', keep reserves to the bare minimum and promote efficiency at all costs, has resulted in weaker, less resilient organisations, just when we needed them most.

Fragility has of course been experienced across many sectors. But the most striking aspect of the pandemic fallout from the perspective of civil society has been the very clear lack of political understanding – indeed, the acute shortage of political capital – evident in relation to civil society organisations.

After a period of at least three decades in which government has loudly proclaimed the central importance of the voluntary sector, the Chancellor's thoughtful and generally well-received early intervention failed dismally to understand the needs and objectives of civil society organisations.[4] The offer of access to a furlough scheme, just at a time when workers were most needed, alongside a slow and limited response to the financial challenge suggests that, at HM Treasury at least, there was very little understanding of the potential power and contribution of civil society. And the reported emphasis on 'getting money to the front line' suggests that the ecology of civil society, in which there is a complex but productive net woven between a number of different-sized and differently resourced organisations, was simply not recognised.

While the charitable foundations did move rapidly to change their approach and get money to where it was needed, the appalling toll of long-established charities and new enterprises does underscore the lack of government comprehension. The "gentleness of charities" was rightly emphasised by the Chancellor, but the economic and financial realities of the sector were not.

[3] H Shah & F Iftikhar, "If lockdown continues, nine out of 10 BAME voluntary organisations will close. Who will help support us then?" The Independent, 7 May 2020

This has continued. The landscape of the country – in England at least – has been changed by the news of charities reducing their staffing, closing operations and in so many cases closing altogether.[5] Such outcomes are deeply damaging to the whole fabric of our society, and yet they seem largely ignored other than by those most closely affected. Clearly, the political and public understanding of the role of civil society is limited. This has long term implications for how we live together and how we achieve any social and economic recovery. But the scale of the devastation caused to present and future prospects is going under the radar, with little of the policy attention that might be expected to flow towards such dramatic and drastic changes to our public life.

A future without the major charitable institutions, the essential infrastructure of civil society and the smaller network of charitable and community organisations, will be a massively impoverished one. The immediate support of this sector must be a policy priority. So too must be a long-term rethinking of the business model. Inherent fragility is no way to build the re-energised, resilient civil society on which the nation so clearly depends.

The world was rocked by the killing of George Floyd in May, prompting a powerful and challenging response across the world through the Black Lives Matter movement. Civil society was not immune.

There is strong and righteous anger at the gross inequalities that exist not just in the wider world, but within civil society itself.

Our Civil Society Futures inquiry identified this as a major theme. We published Let's Talk About Race as one of three final reports,[6] and drew attention to what we saw as an overwhelmingly pressing issue for civil society as a whole. We felt rightly challenged on both the lack of black and minority ethnic leadership but, just as importantly, on the failure of civil society in the broadest sense to address issues of race and racism.

As we start to imagine how we might emerge

one day from this period of mass collective trauma, economic and social upheaval, and health service backlog, we must also acknowledge that extreme volatility and jeopardy will not go away. The coming decade seems likely to be marked by other major events – economic crisis, cyber-attacks, extreme weather events and quite possibly new and difficult pathogens. In such circumstances, renewed, re-energised civil society is centrally important. It requires:

- A much better understanding of the economics of civil society, and the inter-relationship between the 'institutions' and the networks, as well as between the new and emergent and the long-established. It requires a much clearer articulation of the links between the anchor institutions and the holders of capital, and their links – and responsibilities – to the rest of civil society. And it requires an emphasis on resilience and adaptability, not simply survival.

- Immediate and urgent attention to issues of racism, diversity and inclusion, recognising the extent to which failure to address these major disparities has hampered the ability of civil society to respond to crisis and challenge.

- A clear, unsentimental narrative about the central importance of civil society as advocate, responder, and place of belonging and identity. We must demonstrate the dependence that the state has on active, re-energised, renewed civil society. Civil society advocates, providing platforms for voices that are too readily overlooked and ensuring that attention is focused where it is needed. It responds to change, both as emergency first responders and, crucially, by providing long term support and mutual care. Finally, through arts and heritage, through sport and activity, and through social solidarity, it provides a locus for belonging and identity.

Much has changed since we concluded the Civil Society Futures independent inquiry, but much too has remained the same. It is clear that it is in everyone's interest to support a flourishing civil

[4] Rt Hon Rishi Sunak MP, "Chancellor's statement on coronavirus (Covid-19): 8 April 2020", HM Treasury, 8 April 2020
[5] See, for instance, A Kenley & M Whittaker, Weathering the storm: PBE Covid Charity Tracker, Pro Bono Economics, August 2020
[6] brap, Let's Talk About Race: Civil society and race equality, Civil Society Futures, November 2018

society. But it is clear too that the challenges faced by civil society are many, varied, and unpredictable.

Allowing civil society to achieve its potential – to the benefit of us all – is therefore not something that will come about by accident. Rather we must learn the lessons of our past and engage in a collective effort to improve the world we live in.

Small charities are here to stay

– Rita Chadha

Covid has changed the landscape for small charities. We need to seize the opportunity to create a brighter and bolder understanding of how small charities operate.

Let's start from the basics: what is civil society? Is it the humanity between us, is it the kindness that defends us against isolation, is it Extinction Rebellion bullying us into becoming vegans, or is it the furloughed do-gooders entrapped in a prison of their own making via Mutual Aid?

The definition varies. But what is clear is that civil society is no longer the sole domain of 'charities'.

Covid in this context has brought potential opportunities and challenges for small charities in particular. Of the estimated 178,000 registered charities in England & Wales, 20,000 in Scotland and 6,000 in Northern Ireland, the overwhelming majority – more than 90% – are small, with an income of under £1 million. Drill down even further, and the Small Charities Coalition's 15,000-plus membership finds at least 44% with an income of under £100,000.

The pandemic has bought both challenges and opportunities. It seems crass to see the death of thousands as an opportunity, but the nature of the crisis has forced small charities in particular to seize resources and new ways of thinking that may have previously been resisted or slower to progress.

Key among these is the move to digital. The advent of the 'zoom era' has brought with it a tremendous capacity to adapt. Small charities and especially trustees, previously cautious of video conferencing, have found themselves in the driving seat of online organising. There are still those that lack the technical capacity and confidence to drive their own ambition in excelling online, but that will come with time.

Conversely, digital has not replaced the need and desire for human connection. Many charities that rely on nuanced communication and non-verbal cues have struggled, and the variation in lockdown rules for divergent definitions

of 'support groups' have made it clear that some services cannot simply pivot online. Alongside this, some charities have lacked the physical infrastructure – from access to quality broadband to IT equipment – necessary to delivering digitally. The best thing the Government could have done from the outset is invest in IT for charities, not the kind that pushes organisations to invent and reinvent new apps and services (although there is a place for that), but the very basic commitment to refurbishing IT equipment for use by charities and their beneficiaries. This would have propelled the levelling up agenda and been a boost for capacity.

The second key opportunity has been the return to basics for small charities. While demand for services has in many cases doubled, if not (as in our case) quadrupled, this has been an opportunity to address issues of basic good governance, robust financial management and quality people management. For many a small charity, the technical questions of how to govern during the pandemic were answered very well by the Charity Commission. It has forced those that had never taken more than a cursory glance at their governing document to examine it again and learn the detail.

We may also be witnessing a new form of governance emerging, one that blurs the boundary between scrutiny and monitoring the objects of a charity, and hands on delivery.

While this has often been the case in small charities, a new emphasis on 'hands on trustees', deputising for staff on furlough and pitching in with overstretched volunteers, means that we do need to revisit the basic principles of governance.

The pressures of the pandemic have also heightened tensions in our relationships. The stress of deciding priorities and trying to match scarce resources with need, often while working remotely, has meant some small charities struggling to resolve difficulties effectively. Requests for mediation have tripled to our helpdesk during the period. In a Small Charities Coalition (SCC) survey of 713 respondents, 90% of those involved with social change organisations felt there was no one in their organisation they could talk to about mental wellbeing. 58% felt trustees need more resources and support to talk to staff and volunteers about mental wellbeing.

At the same time, the social change sector's approach to people management has been overtaken by world events. Black Lives Matter has propelled discussions about diversity into the forefront of every organisation's consciousness. Yet, our collective understanding of equality and diversity has never been poorer. Too often public policy has blurred the line between the legislative framework of equality, and the cultural framing of diversity. Add in equity and what we have in the sector is a very confused and unclear space where equality and diversity are used interchangeably, and where performance and public acts of contrition are valued over meaningful and sustainable change. Two of SCC's most popular courses recently have been Diversity, Inclusion, Cohesion and Equality (DICE) for small charities and Monitoring Equality and Diversity. While demand has been high and take-up excellent, the sector still lacks the ongoing resources, personnel, time and funding to devote adequate attention to making change happen internally.

Which brings us neatly onto the primary issue occupying so many small charities, which is of course funding.

Funding for most small charities has always meant a hand-to-mouth existence.

Commonly organisations will just get over the joy of securing one funding stream, to find themselves propelled into the next anxious cycle of hope and despair, seeking new and continual funding. Small charities are in the business of hope, and so it is too that they often hope that some last minute funding will come to their rescue. And very often, like a knight in shining armour, it does, which is why many trustees (as weary and exhausted as they are) are still reluctant to wind down and formally close.

In a sense, the government and funders have also enabled this. The wide range of 'Emergency Covid Funds' has been extremely welcome, but badly coordinated. For any organisation to face one deadline a week is stressful, but to face at its peak nine deadlines from different grants and governmental funders on the same day is a stretch.

The funders' Covid pledge has been invaluable in creating the right environment for small charities to pick up the phone, creating a more positive dialogue between grantee and funder. While funders, including the National Lottery Community Fund, were inching towards this previously, the pandemic has again forced new and different types of discussions.

Finally, whatever your governing structure, whatever your financial position, the key to making it or breaking it during the pandemic has been an organisation's ability to communicate its impact and worth. For small charities this has been a particular challenge. We have seen government at the start of the pandemic embrace small charities warmly, but that has been superseded by activities that have sought to scrutinise charities for their commitment to their beneficiaries. The use of accountancy firm Price Waterhouse Coopers to vet small charities applying to the National Lottery Community Fund for controversial and anti-establishment views was a big concern to many.

The very nature of charities requires that we campaign and advocate for change.

To be unflinchingly compliant and uncritical when public policy fails our beneficiaries is fundamentally at odds with the concept of public benefit as defined by many charity regulators.

To unleash Civil Society's potential and recapture the place of charities within it, we need the boldness of ambition stemming from small charities, and a sense of purpose driven by a new understanding of the current structure and marketplace of public and private services.

To achieve this, we need three things.

Firstly, it is essential for small charities to reconfigure their relationship to the public sphere. It is misleading to think always of small charities as being synonymous with the local. Varied discussions about democracy and devolution have placed small charities more commonly at the hyperlocal level, and they are well placed in many cases to serve as 'key anchor' organisations for local neighbourhoods. But there are also those small charities that work nationally and internationally, with very specific communities of interest. During Covid, the Small Charities Coalition has worked with a group of over a thousand small international charities that had been meeting on Facebook. Together they were small and mighty, but they lacked the connections and voice to effect the change they needed. They were shunned, largely by other, better resourced organisations. And so it was that the Small Charities Coalition established them as a registered charity. The requirement for a unified voice for the small charity sector working overseas has never been more needed.

Now is a moment for larger charities and smaller charities to develop a new shared ecosystem. There is, for example, huge potential in smaller and larger charities aligning their services to keep leisure centres open, as smaller charities have been better able to access funding for sporting activities but often have no place to run them. The same is true for larger arts institutions (the 'national treasures') that rely on the supply of beneficiaries from small charities for future talent and audiences. How different things would be if we could persuade the larger leisure centres and national art treasures to develop new financial partnerships, through the emergency funding available.

We must also not lose sight of the fact that both sports and arts are under the auspices of the Department for Digital, Culture, Media and Sport, which in theory, if not in practice,

is home to all things charity. Sadly, we have a government department that is unable to reach into the bowels of the treasury to make that all too crucial ask for more money, to enable the easement and expansion of the Gift Aid scheme, and to make the persuasive argument for changes to the furlough/job retention scheme that would make it fit for purpose. Without a reliable and steadfast advocate in government, charities have been largely ignored and overlooked.

Secondly, there has been a lot of attention in campaigning circles during the pandemic to whether it is better to focus on the plight of those that we seek to serve, i.e. our beneficiaries, or to focus on the business and market model that makes charities unique.

Why do we feel ashamed to speak of our own needs as organisations? Businesses don't. Public bodies don't. This speaks to a collective failure to better explain what modern day charity is.

For as long as we focus on charity being only about the most needy and vulnerable, we cap our own potential within the wider economy and community. The ability of charities to improve life has to be understood for its ability to reach and connect with a wider audience than just the most vulnerable.

Finally, we need small charities to fight for independence. Mergers and collaborations test the boundaries of the overvalued notion of 'partnership working'. Discussions need to be driven from a place of ideals, not just aimed at continuing a functional existence. Cultural change occurs very slowly in the charitable sector. While small charities are highly agile, charities tend to cling onto a belief that the world around them is pickled in aspic. Again, Covid has challenged that, and we need to seize the opportunity to create a brighter and bolder understanding of how, where and when small charities operate. The new and improved version of the Social Value Act alongside changes to procurement could, in theory, allow for a real levelling of the playing field.

What we must not forget is that the act of establishing and running a small charity is for many people an act of volunteering. Running a small charity is a labour of love fuelled by a desire to change the world, to change the lives of others and in many cases to right injustices. We need a modernised version of charity that sits in the real world of rapid change and contradiction, and that is alive to seeing itself as part of the solution to problems we have not yet envisaged.

Small charities remain resolute in their determination to be the change that their beneficiaries need. What they need is recognition, respect and reward. The public and government have in no small measure demonstrated that they recognise and value the work of small charities. The growth in social movements like Mutual Aid groups, many of whom want to repurpose to become 'small charities', has been testimony to the fact that small charities can reach where the state can't. The number of new people approaching the Small Charities Coalition for advice on how to set up a social change organisation has remained largely unabated during the pandemic. There is reason to be optimistic that the model of small organisations does work and is very much needed. The challenge is that most people don't understand small charities well enough to respect their worth. This is an act of public and personal education for us all. The key element that is lacking is reward.

The issue of funding will always be one where demand outstrips supply, but we can overcome this. We can use the new(ish) Social Value Act and more purposely develop partnerships between small charities themselves, between small charities and larger charities, and between small charities and other sectors. This is a big piece of work that requires an acceptance that small charities are here to stay.

About. For. From: unpicking the sector's data pessimism

– Ed Humpherson

We need better civil society data. That includes data 'about' civil society - measured at the national level; 'for' civil society – access to public data, along with the support to use it; and 'from' civil society - consistent impact reporting, to common standards.

I joined the Board of Pro Bono Economics (PBE) a couple of years ago, with a reasonable background in data (in my day job as head of the Office for Statistics Regulation) and a less strong background in civil society.

What struck me was the general pessimism in the civil society community about data.

I heard things like "Of course we don't use data like we should" and "We're not good at measures of impact". It's an echo of the awkward humanities student who says, "I don't do numbers".

In this essay I want to unpick that pessimism – not from any great expertise in the world of voluntary organisations, but instead drawing on my role at the Office for Statistics Regulation (OSR). I want to look at data in the sector in the same way as I would for any sector – like adult social care (where we've recently published a critical report[1] about the availability of official statistics) or mental health[2] (again, a recent area of focus for the OSR).

My starting point is to distinguish three different aspects of data that are often conflated: data *about*; data *for*; and data *from*.

- Data *about* – how civil society and the third sector are measured at the national level
- Data *for* – the sector's use of and access to data, especially data owned by Government
- Data *from* – how the sector reports publicly its impact and its research findings

Let's look at each of these in turn:

Data about

On 28 October 2020, my team at the OSR published a report on business demography statistics. These statistics describe the birth and death of companies – how many new companies are formed and where, and how many companies close. They provide a barometer of the vibrancy of the market economy. They are used to identify which sectors are growing; to highlight the sources of productivity, innovation[3] and entrepreneurial activity and to assess the effectiveness of Government policy initiatives.

There are problems with these statistics, to be sure. Yet by comparison to what's available in the third sector and civil society, even these flawed statistics represent an embarrassment of riches.

For civil society, there are certainly some good sources – to pick just two, the National Council for Voluntary Organisations (NCVO) UK Civil Society Almanac[4] (the Almanac) is a great source to describe the size and shape of the voluntary sector; and 360Giving is developing an excellent resource on grant-making.

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[1] Adult Social Care Statistics: a way forward for Great Britain, Office for Statistics Regulation, March 2020

[2] Mental Health Statistics in England, Office for Statistics Regulation, September 2020

[3] It's worth adding that the main source of innovation data, the Community Innovation Survey run by the Department for Business, Energy and Industrial Strategy, focuses on business as a source of innovation – there is no recognition of the role of social innovation.

[4] L Hornung, O Chan, V Jochum, M Lawson, A McGarvey & K Rooney, The UK Civil Society Almanac, NCVO, June 2020

But none of the available sources provides as rich and detailed a picture of this sector as we have of the market sector. As a result, the third sector is often invisible in debates about economic policy.

As Andy Haldane has said:

"Any discussion of the future role of the third sector needs to start from an understanding of its current contribution to the economy and society. That sounds simple. Yet measuring that contribution in practice is far from easy. Indeed, much of that contribution currently goes unmeasured."[5]

Why is this?
One obvious answer is that it's harder to define. Indeed, in writing this piece, I'm finding myself drifting imprecisely between the terms 'charities', 'third sector' and 'voluntary sector'. Civil society is diffuse, and multiple definitions are available.

As the Almanac says:

"The term 'voluntary sector' is not widely understood, and neither are alternatives such as 'third sector' or 'social sector'. This is largely because of the sector's huge diversity and the increasing blurred boundaries between the public, private and voluntary sectors."[6]

A second reason is that it is difficult to ascribe value to what the sector does. In most aggregate statistics about the economy, value is defined in money terms: GDP is measured in pounds sterling. For the third sector, this valuation is harder – what a charity does is usually not sold in a market. As a result, there is at present no single overarching framework that can link the inputs, outputs and outcomes of this non-market sector – hence the sector's relative absence from statistics, like the Office for National Statistics' (ONS) National Accounts, that depend on a coherent, market-based framework.

I suspect, though, that there is a third, more insidious factor: the perceived importance of the sector. Sure, the sector is hard to define and

hard to quantify. But these problems of definition have been addressed elsewhere (e.g. by the Department for Digital, Culture, Media & Sport (DCMS) for "creative industries", an inherently diffuse and imprecise sector; and by ONS for public sector productivity, inherently hard to quantify).

In our work at the Office for Statistics Regulation we often find that missing data reflects a lack of official policy recognition. Where something is seen to be important, it will be captured in official statistics. This matters: if it's not measured properly, it tends not to be very visible in policy discussions either in considerations of how Government spending decisions impact on society or in understanding how change impacts people and organisations.

Our recent report on adult social care found a gap in official statistics, which simply do not reflect the diversity and performance of the social care sector. I wrote that we wouldn't have parity of policy between social care and the NHS unless we get parity of measurement.[7] The argument may run the same way for civil society: the sector won't get sufficient weight in policy discussions until we see parity of measurement.

Data for

It's one thing to have better national level statistics to raise the profile and the deemed importance of the sector. But in a practical, day-to-day sense, equally important is really good access to data for analysis and decisions – not data about the sector, but data for the sector.

There is a lot of interest in growing the sector's digital skills. For example, this was emphasised in the Office for Civil Society's Civil Society Strategy[8] and has been supported through the National Lottery's Digital Fund. This interest seeks to harness digital tools to improve services provided by civil society.

[5] A Haldane, The Third Sector and the Fourth Industrial Revolution, Pro Bono Economics Annual Lecture, 22 May 2019
[6] L Hornung, O Chan, V Jochum, M Lawson, A McGarvey & K Rooney, The UK Civil Society Almanac, NCVO, June 2020
[7] E Humpherson, "The Office for Statistics Regulation calls for better adult social care data for England to understand the experience of individuals getting social care", Office for Statistics Regulation, January 2020

I want to focus on a subset of digital skills – use of data sets, particularly data sets held by the public sector. These data sets should enable civil society organisations to understand more about the problems it's tackling, the people it's helping and the impact it's having. In many areas the most useful data sets are the public sector's administrative data. As Dan Corry says in another essay in this collection: "there are reams of administrative data locked up within Whitehall departments that charities could use to understand their impact."[9]

Here, there is a patchy picture.

There are some amazing resources available, like the Ministry of Justice's Justice Data Lab which looks at the effectiveness of charitable programmes to reduce reoffending.

But there seem to be barriers here. When the Justice Data Lab was initiated, there was an expectation that it would be replicated in other parts of Government, like welfare. But the model hasn't taken off. Some parts of the public sector are notoriously poor for data access – in particular NHS data in England (though there may be better access for outside researchers to NHS data in other parts of the UK).

The main attempt to create an accessible data hub for administrative data has been Admin Data Research UK, which makes research-ready data sets available for research and analysis.

The Admin Data Research UK data sets ought to be a treasure trove for third sector organisations. And they aren't. Perhaps because access requires accredited researcher status, applications are biased towards academic institutions. An attraction of the data lab model is that charities need relatively little expertise to benefit from public data sets.

In short, there is only limited access to and use of administrative data resources by civil society. This means there are only limited examples for the sector to build on, and little building of data capability. This isn't going to be addressed by one data project at a time – it needs a sustained investment of time and resources in building knowledge, partnerships and capability. In the absence of this effort, data for the sector will remain an area of untapped potential.

Data from

If I've given the impression that the sector is a data wasteland, then that's a false one. The sector is rich in data. It produces a lot of its own research, often highlighting the lives and experiences of people who are bypassed by policy and academic research, and much of it is excellent.

Take the area of homelessness as an example. Lots of data is available from the sector: the Centre for Homelessness Impact[10]; St Mungo's, which manages the Combined Homelessness and Information Network (CHAIN)[11]; Centrepoint's Youth Homeless Databank[12]; Homelesslink, which supports the annual rough sleeping snapshot in England and the Homelessness Monitor[13] produced by Crisis.

The variety of data from the homelessness sector is not unique. It is replicated in many other domains: I could write here about really great work that comes across my desk, like the Femicide Census and Future Care Capital. Yet it is here, on data from civil society that I have some of my biggest concerns.

Why?
First, there is untapped potential to make much better use of the sector's data.
For example, as the 360Giving Strategy[14] argues, grant making flows are opaque and for as long as data remains in organisational silos, the combined effects of bringing together data will be lost. In the homelessness sector the variety of data sources still may not amount to a coherent overall picture of homelessness.

[8] Civil Society Strategy: Building a Future that Works for Everyone, Office for Civil Society, August 2018
[9] D Corry, Structural improvements: ideas for supporting a thriving civil society, Civil Society, Unleashed, December 2020

When PBE has looked at the data, we have found it does not support a really robust analysis of impact.

Second, while there is a wealth of research published by the sector on the clients and communities that it serves or on the problems it aims to address – there is less consistent reporting of impacts. The work of PBE is often about helping a charity understand and measure its impacts, but there is a lot more work to do here.

Underlying all of this is a further systemic factor.

For both research and impact evidence, it seems to me that there are only limited standards for civil society organisations on how best to collect, present and disseminate data.

The public sector has the Green Book (for impacts) and the Code of Practice for Statistics. The principles of this Code are what guides the ONS and has underpinned the widespread confidence and support that the ONS' data has enjoyed during the pandemic. As one former senior civil servant said to me: "whenever I hear something from the ONS, I know that I can trust it".

At the heart of the Code is the notion of trustworthiness – which means that an organisation can assure the public that their data and analysis represent more than just their own vested interests.

There is no similar overarching framework for data published by civil society. One solution is for civil society organisations to adopt the Code of Practice on a voluntary basis – indeed, this is what some non-Government bodies have started to do, notably the Social Metrics Commission.

In the absence of this common set of principles there is a risk that data from the sector may not be seen as trustworthy. Metrics driven by funding can easily tip over into measuring the wrong thing, simply because it's quantifiable, skewing priorities and focus. At worst, data from

the sector may be seen as reflecting little more than the vested interests of the organisations that publish it.

From pessimism to optimism

So how can we address the issues I have identified?

We need to rethink data about, for and from the sector.

We need better measurement of the sector:

we will not have parity of esteem unless we get parity of measurement.

This is work for the UK's statistical authorities, the ONS and the statisticians within Government departments. It is important and will have the support of the whole sector.

We need better access to administrative data. This depends on the owners of data opening it up, both individually, through more examples like the Justice Data Lab and through greater access to linked data via Administrative Data Research UK. It won't be enough just to increase data availability. Building partnerships between public bodies, academic researchers and the sector is necessary to address capacity issues.

We need the sector to adopt common standards for the statistics that it publishes. These standards would protect against excess advocacy and build trustworthiness by demonstrating that the data published by an organisation do not simply reflect their interests. Voluntary adoption of the Code of Practice for Statistics would be a good place to start!

If these three things are done, we can lose the awkward self-deprecation ("we don't do data well"), and instead see a sector that is self-confident and capable in its data use.

[10] Centre for Homelessness Impact
[11] CHAIN
[12] Youth Homeless Databank
[13] Homelessness Monitor
[14] Unlocking the Power of Grants Data: Strategy 2019-2021, 360Giving

I always challenge people who, in the knowledge that I work in statistics, confess sheepishly they are 'no good at maths'. It's not that they are no good at maths; it's just that they haven't had enough opportunity to practice.
I feel the same way about the civil society pessimism. There's nothing inherent in the sector that makes it bad at data. The sector just needs more opportunities.

Entrepreneurial philanthropy for all

– Sir Peter Lampl

Why are Americans so much better at giving money away than Brits? Britons don't give as much as they could, while approaches to giving are too hands-off. In challenging inequality, we need to get better at proper, plugged-in, engaged philanthropy - entrepreneurial philanthropy

Aristotle once said: "To give away money is an easy matter and in any man's power. But to decide to whom to give it, and how much, and when, and for what purpose and how, is neither in every man's power nor an easy matter." I would only add: "Don't let that stop you, though".

At the end of 2019, the Sutton Trust did some research into public perceptions of philanthropy in Britain, and perhaps the most striking outcome was that four out of 10 British people don't know the meaning of the word. Literally. Press them on what philanthropy means, and a disappointingly large portion of Brits would probably hazard a guess that it's got something to do with stamp collecting. Perhaps that's why Britain doesn't do as much philanthropic giving as it could and, in my opinion, should do. The country is certainly a long way behind America in this regard.

Of course, there's a simpler word: charity. Probably everybody knows what charity is. But, for all their similarities, charity and philanthropy are not the same thing. In fact, they represent radically different approaches to giving away money.

Among the wealthy, charity might be, for instance, something that happens at black-tie fund-raising evenings. I've been to a few of those, in particular while I was living in New York. You will normally be invited along to some giant chandelier-hung hotel ballroom, or possibly a cavernous conference centre somewhere on the West Side. There will probably be an envelope on the table for you to stuff with money. You will be served three courses, at least one of which will feature chicken. And there will generally be a charity auction where you'll be treated to the sight of Wall Street types bidding against each other for gold-leaf spa treatments in Bali, or the use of someone's private jet.

And there will be lots of glossy people there who want to be seen and who especially want to be seen being charitable.

But anyway, my point is that

there's an important distinction between charity and philanthropy

– and, by extension, a big difference between thinking charitably and thinking philanthropically. We could express it like this: charity writes a cheque and walks away – job done. Philanthropy writes a cheque and then applies itself to managing the way the cheque gets spent – job just beginning. And it's philanthropy that I think we should be doing much more of in Britain.

Why are Americans so much better at giving money away – both charitably and philanthropically – than Brits? Why do high net worth individuals there donate so much more, and so much more readily, than their British counterparts? No doubt there are all sorts of cultural reasons, and national characteristics at play, including a certain kind of British squeamishness around the subject of personal wealth. In some ways, 'don't flaunt it' is an unhelpful strain in the British character. What's the best way to get rid of a Brit? Ask him for some money. He'll be so embarrassed it will likely be the last conversation you ever have with him.

Americans are less troubled about asking for money, and about being asked for it. I learned this truth very graphically when my kids were small and at a tiny school in Florida. One term we got a letter about the school's annual fund-raising drive.

Contributions were being solicited. It was a wealthy community, so the school would have been mad not to ask. I wrote a cheque for $1,000, which I felt was on the generous side, but without being embarrassingly showy, and I sent it over. Duty met.

Two days later, my phone rang. It was the school's Development Director. The first thing to note is that the school had such a thing as a Development Director. I'm fairly sure I've never come across a kindergarten in the UK that had its own Development Director. Anyway, I assumed the Development Director was calling to thank me for gifting the school so generously, and I waited for him to start singing his hymn of gratitude.

On the contrary.

"Look, you live in a nice house on the water", said the Development Director, who was an alumnus. "A thousand dollars isn't really so much for you".

My instinctive reaction to this was outrage. The cheek of it. I'd sent him $1,000, for god's sake. And now he was coming after me for more?

At the same time, though, I had to concede, the guy had a point. I listened to his pitch a little longer. Eventually I was talked into funding a scholarship and ended up giving well over $100,000.

It clearly works.

It doesn't really surprise me, then, that the level of giving as a percentage of gross domestic product is three times as much in the US as it is in the UK. The staggering fact is,

if Brits gave at American levels, we would generate an additional £45 billion each year to spend on good causes.

Brits have a lot to learn. We need to get better at asking for donations. And we need to get better at being asked.

Beyond that,

we need to get better at philanthropy, in the sense of proper, plugged-in, engaged philanthropy – entrepreneurial philanthropy.

By which I mean the kind of organised endeavour which doesn't simply attempt to alleviate the symptoms of a problem by charitably lobbing some money that way, but which does something more long-term and closely-managed to tackle the causes of that problem. This is something that successful entrepreneurs are well-placed to do. You could even say it's something they should feel obliged to do.

It seems to have been understood, in the late nineteenth and early twentieth century in America, in the time of Andrew Carnegie and John D Rockefeller, that if you were a pioneer in business then you would automatically be a pioneer in philanthropy. Carnegie (who was Scottish by birth) wrote about philanthropy as a duty: the wealthy entrepreneur, in his opinion, was merely a 'trustee' of the fortune he had accumulated, and the rich were honour-bound to perform the task of "returning surplus wealth to the mass of their fellows". The man who single-mindedly built the vastest steel empire the world had ever known spent the last 20 years of his life employing the same driven talents in the construction of a massive network of philanthropic enterprises.

Similarly, Rockefeller, who was 97 when he died, used the 40 years for which he was technically in retirement to turn the shrewd mind of an oil magnate to the business of carefully targeted philanthropy. In the hands of the likes of Rockefeller and Carnegie, philanthropy wasn't a soft side-line to their business: philanthropy was their business.

Somewhere in the intervening years that fundamental connection between business and philanthropy got lost – to the point, indeed, where Professor Michael E. Porter of the Harvard Business School was very recently in a position to point out: "Billions are wasted on ineffective philanthropy. Philanthropy is decades behind business in applying rigorous thinking to the use of money".

There are shining exceptions, of course. Bill Gates, with the Bill & Melinda Gates Foundation, is a role model not just for the range and extent of his philanthropic giving (approaching $40 billion), but for the depth to which he involves himself personally, at an organisational level, in what that money acquires and does. The same is true of Michael Bloomberg, with his entrepreneurial role in Bloomberg Philanthropies – someone I am proud to count as a friend and a partner of the Sutton Trust.

Yet we still see far too many examples of 'ineffective philanthropy' – hands-off, under-managed philanthropy, the kind of philanthropy where the donor's involvement begins and ends with the gifting of a sum of money. That mindset needs to change, and I think we've been changing it in our work at the Sutton Trust.

So many charitable concerns nowadays don't properly quantify what they do. They're spending money in a charitable cause and that seems to be regarded as enough in itself. Because it's philanthropy, and philanthropy is inherently a good thing, the rules that would inform the spending of money in other areas of business aren't felt to apply in quite the same way. But, like any other company, a philanthropic organisation needs to be accountable.

We've always been very hot on this and it has informed the way we have done philanthropy from the beginning. With the Sutton Trust, the education and social mobility charity that I founded, I didn't just pump in money from a distance. I made it my business to understand what was going on, to stay on top of it, to manage the spending strategy in association with a set of formidable and equally engaged board members, trustees and donors who share the Trust's vision, and to make sure that our money was working as hard as it possibly could. You only have a finite amount of money, after all. You want to make the most of it. And to do that, I stayed engaged as Executive Chairman and re-applied the strategies I had learned as a business entrepreneur.

Very often charity suffers from a kind of benign inertia. It's easy, in the non-profit sector, for the foot to come off the gas, and for people to relax a bit because after all, we're being good, aren't we? We're doing 'good things,' so why be brassy or sharp-elbowed about it? Constant pushiness could almost be thought to be inappropriate in this sphere. Yet that loss of internal pressure can be catastrophic for philanthropic organisations.

Inertia, benign or otherwise, is the enemy of good business. Suddenly you've got slack in the system and money and time are getting wasted. These are things you wouldn't tolerate if you were running a company; you would move in to tighten that slack at source. So why be any different in a philanthropic organisation, where arguably every pound is more precious?

In the UK, we need more entrepreneurs to come to philanthropy and to bring their business heads with them. I think there are four simple ways in which they could be encouraged to do so.

First, the government could simplify the tax treatment of donations, abandoning the labyrinthine complexities of Gift Aid and gravitating towards the American way, where philanthropic giving is treated as a straight deduction from income. It's a clear system and the donor gets all the tax benefit. It actively incentivises donations, which is the point.

Secondly, the government should promote far more matched funding schemes. The Education Endowment Foundation, which I chair, is a good example of this: an organisation seeded by £125m of government money, some of which is then matched through fund-raising. Such schemes represent good value for the tax-payer and are attractive to co-funders who are looking for maximum leverage on their donations. Matched funding is also a good way for the government to point philanthropic giving in the direction of the most important issues; functioning not as a replacement for government funding, rather as a complement to it.

Thirdly, we should instil a greater recognition and celebration of philanthropy. It's peer pressure, clearly, that causes high net worth Americans to give more philanthropically than their British counterparts – and to start their giving at a younger age. By contrast very little prominence is given to the importance of philanthropy in the UK and generosity frequently goes unremarked and uncelebrated

here. You will know the British line: "He does a lot for charity, but he doesn't like to talk about it." Well, maybe it would be a good idea if we did like to talk about it. Which is a reason why I welcome the leadership shown by Andrew Law and his foundation in stimulating this debate.

And fourthly, and most importantly, we should work to broaden the definition of philanthropy – not just so that people can no longer confuse it with stamp collecting. We need to be clear about the ways that philanthropy is distinct from charity – that philanthropy is entrepreneurial by default. We need to understand, too, how

philanthropy can be the giving of anything: not just money, but experience, skills, time – things that any of us may have accrued in the course of our lives, and not simply wealth.

In that sense, entrepreneurial philanthropy ceases to be the preserve of the rich. On the contrary, entrepreneurial philanthropy can become the business of practically every one of us. What are you rich in? What do you have a lot of that can you afford to give away, or give back? And, most importantly, what's the best use that you can make of what you have to give? Such activities as working at food banks or for the Good Samaritans come to mind. How can you maximally leverage that particular skill of yours, that experience that you have gained in your work or your life, that time that you have free on a weekend or in the evening? When you think about it that way, you're engaged in entrepreneurial philanthropy.

And there's no cause too small, either. Every time I help some kids, I can guarantee that somebody somewhere will say to me: "Why aren't you helping all the kids?" Well, great idea. Tough one to pull off, though. Yet, just because you can't change everything, it doesn't mean you shouldn't try and change something – the one small thing, maybe, that it lies in your power to change. Life is unfair, and life is always going to be unfair. All we can do – indeed, the best we can do – is try and make it less so.

A new social covenant

– Danny Kruger

We need a new 'social covenant' between civil society and the state. One that empowers communities and asserts the importance of government and businesses producing public good. We also need a culture in which volunteering is seen as part of everyday life and is celebrated with greater recognition and reward.

One way of understanding our present discontents is to reflect on purpose. In the curious alchemy of personal motivation, it appears that individuals are inwardly fulfilled through achieving some goal outside themselves. The same goes for countries: what is the guiding mission of a nation and, more tactically, of its government? And in between the individual and the nation, what purposes are served by the institutions – local and national, statutory, commercial and non-profit – that host and regulate our common life?

Politics swirls about the questions of individual and national purpose. Questions of personal identity, opportunity, rights and freedoms (and freedoms curtailed), with the implicit question "what are people for – and how can we help them achieve it?", are the stuff of debates and campaigns. So are questions of national identity and national mission: immigration, foreign policy, Brexit. What kind of country are we, and what do we want to be? What is our role post-Empire, post-EU? What is our purpose?

But questions about the purposes of our institutions get addressed less often. It wasn't always so. Victorian parliaments spent days on end debating the charters of particular colleges, trusts and hospitals (Trollope's greatest novel, The Warden, revolves around one such controversy).[1] The establishment and subsequent nationalisation of what we now call the public services involved deep soul-searching among local leaders about the governance, financing, and functions of individual local institutions. There was also, as Professor Colin Mayer has shown in his study of the corporation, a long debate about the purpose of businesses, especially 'public' companies whose ownership was shared among hundreds or thousands of people,

and which fulfilled vital functions in the infrastructure of the country.[2]

In the mid- to late-20th century these debates essentially ceased. The purpose of the welfare state is to provide for all the needs of all the people. The purpose of the modern firm is to generate profits for shareholders. These simple, sweeping ambitions have caused us to forget how complex and varied the institutional life of communities is, or should be.

They also disempower the people of the communities these institutions operate in.

Public services or businesses accountable to remote masters in London (politicians and civil servants, or shareholders and executives) will struggle to adapt to the particular needs of local people

no matter how much front-line workers, often local people themselves, might wish them to.

The report I recently published,[3] written at the request of the Prime Minister to "develop proposals to sustain the community spirit of the lockdown", outlines the articles of what I call a new 'social covenant' between civil society and the state. The first article is the primacy of public

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[1] A Trollope, The Warden, 1855 tells the story of Septimus Harding, the warden at Hiram's Hospital, an almshouse supported by a medieval charitable bequest which both supports its twelve residents and a comfortable home and standard of living for Harding.

[2] Colin Mayer's most recent publication on this matter is Firm Commitment: Why the corporation is failing us and how to restore trust in it and was published in 2013

purpose for both businesses and government. This second point may seem obvious and already in force: what else is government for but public service? Yet too often policy or public spending focuses on tightly prescribed inputs designed for a specific outcome, without reference to the wider implications, the threats and opportunities inherent in official action. As I say in the report:

"Government should legislate that the whole purpose of public spending is to deliver value for society, not just value for money for one particular budget. This 'social value purpose' would impose an obligation to consider the whole of government accounts when designing and awarding contracts. Contracts should then be designed to avoid cost-deferral and cost-shunting (passing an expensive problem beyond the current budget cycle, or into the budget of another arm of government), creaming and parking ('creaming off' the low-cost or easy cases and 'parking' the high-cost difficult ones), and all the other evils of public sector commissioning: evils which no provider sets out to commit, but which the incentives in the system push them into."[4]

The culture of commissioning flows from HM Treasury. My suggestion – inspired by Pro Bono Economics and others – is that

"There should be a new focus in government on spending that builds social capital, perhaps by means of a new accounting category to measure the capital and resource spending that enables communal activity, and which has preventative or long-term fiscal benefits. The review of the Treasury Green Book announced in the March 2020 Budget, intended to rebalance infrastructure spending in favour of long-term investment outside the South East, should also review the valuation given to social infrastructure and to community investment."[5]

As for businesses, there is a myriad of initiatives trying to bend free enterprise towards social and environmental responsibility. Policy ideas include tax relief for good business practices and reform of the Companies Act to create a new corporate form with public purpose, not just shareholder return, at the heart of directors' responsibilities. COP26, the climate conference the UK is hosting in Glasgow next year, is a great opportunity to develop a new regulatory framework to help

businesses create a better economic model.

Individuals' personal sense of purpose, their desire to make a positive contribution and to live for a cause that is greater than themselves, is the single greatest asset our society has.

At the moment that asset is both underused and exploited – most people don't find the opportunities to get involved, and those that do are often poorly supported and quickly disillusioned.

We need to encourage volunteering as a normal part of life, and we need a culture of support and congratulation for those that do it.

To this end I propose a Volunteer Passport which will help match the supply of and demand for voluntary effort. This will help organisations find people with the skills they need. It will help people to find opportunities that appeal to them; to compile a digital CV showing the work and training they have done and the qualifications they have earned; and even to earn rewards, like discounts from participating retailers, in the manner of the Young Scot card in Scotland.

A Volunteer Passport will also enable us to create a National Volunteer Reserve of people who sign up to help with future emergencies and with ongoing environmental projects like tree-planting, stream and river protection, or biodiversity monitoring.

These proposals, and the others in my report, are intended to create opportunities for people and places to take more control over their lives. They proceed from a critique of the economic and social model we have lived under since the 1990s – a combination of economic mobility and new public management. Economic mobility is the doctrine that capital and labour will move easily to the parts of the country where they can

[3] D Kruger, Levelling Up Our Communities, September 2020
[4] Ibid
[5] Ibid

maximise their value – capital moving to the deindustrialised areas where land and labour are cheap, and labour moving to the cities where jobs can be found. In fact, neither happened on anything like the scale needed for those places and those people.

New public management is the doctrine that public services are best delivered through a combination of compulsion and competition: top-down targets and protocols, plus a quasi-market of providers striving to innovate and drive down costs. The result has been more bureaucracy, a demoralised workforce, and citizens being treated like units in a spreadsheet rather than human beings with strengths and needs.

We urgently need to correct both these doctrines, which between them have drained the sense of purpose from people and places.

We need to invest power and wealth in our towns and rural communities, including the social infrastructure that gives people the relational assets – skills and contacts – they need to prosper.

And we need to dismantle the bureaucracies of the public sector to give individuals and communities the opportunity and the responsibility to create services that work best for them.

Creating a more local, more human, less bureaucratic, less centralised society is more easily said than done. Politically it chimes with my party's belief in small government and big society. It involves a profound change in the way government departments and public services work, but we have seen in 2020 that profound changes are possible. I am hopeful that in this new world opening up in the era of Covid, a new coalition of local and national politicians, social entrepreneurs and civic leaders can build together a new social settlement for the UK.

Civil society in our extremely digital world

– Cassie Robinson

To thrive in a digital world, civil society must play an active role in responding to the opportunities and challenges of technology. Doing so, means both making use of technology for social good and influencing its future direction, developing new local digital infrastructure, and supporting this work with responsible funding and philanthropy.

The pandemic has underlined how essential civil society is to all of our lives. Social norms have kept us safe; communities have looked after our loved ones and helped us feel connected; neighbours and volunteers have made sure we have food, support and activities to sustain us. Throughout the turmoil, uncertainty, grief and fear of these past months, civil society has held us together with rainbows in our windows and acts of mutual aid and care.

It's also exposed how intertwined the internet has become with our social fabric. Lockdown moved all social connections online overnight, confined to digital spaces of Zoom or Facetime. New communities emerged on Facebook and WhatsApp to make sure we could stay in touch and organise. These past 6 months have been an acceleration of how we - as a society – are making a huge, uneven transition, from a world that runs on paper and mechanical technology, to a world that runs on computing technology and the internet. Civil society is not exempt.

'Technology' - the tools, craft, techniques of a way of making or doing things - is not in itself good or bad. It's how it is applied that matters. Civil society has always had to adapt to the way technology has changed industry and society and respond to the new behaviours and expectations that such changes can bring. Yet there are few parallels to the sheer scale and pace of change we are experiencing now, and the dilemmas this creates for civil society in our extremely digital world.

How can civil society support more people in a world where technology both individualises and connects individuals, families, workers, learners and whole communities? What does it mean for civil society to rely on privately owned platforms that exist to generate advertising revenue? How should communities respond to the effects of technology on local economies - from automation's impact on jobs, to online shopping's impact on the high street?

"*Digital social infrastructure — where many of us conduct our most important relationships — has emerged organically throughout the 21st century: Google, Facebook, Amazon and many other businesses now power most of the do-it-yourself, self-organising bits of the web that bring people together in the ways community centres and street corners used to. The spread of these amenities and community platforms, which are mostly (but not all) free at the point of use, has seen the locus of many (but not all) communities shift away from the physical world to the digital world.*" Rachel Coldicutt, Careful Industries[1]

This essay explores the vibrant and varied ways civil society can respond to the opportunities of technology, and how a more powerful, active civil society could prevent the threats technology poses in terms of equality and social inclusion. I believe this needs to go beyond how civil society can use technology as a consumer, and confront how civil society can play a role in shaping the direction and application of technology in policy and development. Finally, I want to reflect on the role of funders in supporting this work, and helping civil society to thrive in a digital world.

[1] www.careful.industries

Using technology for social good

Technology is ethically neutral but many civil society organisations - from large charities to informal community groups and networks - are grappling with ways to adapt and use technology in how they deliver their mission. In the past decade, we've seen a huge change in how organisations use websites and other digital channels, as well as applying technology to help them work more efficiently, for example tools to recruit volunteers. The pandemic has accelerated this trend, with many organisations now reliant on these platforms to do their work.

At the same time, there has been a groundswell of entrepreneurs and start-ups using technology to tackle social issues - everything from healthcare to ageing to climate change. Social ventures like DrDoctor[2], GoodGym[3], Provenance[4] and Organise[5] have all grown and established new markets that span across the private, public and household economies, showcasing a new path and potential for civil society in using technology for social good. I mention these whilst also recognising that many complex social and environmental issues can't be "solved" by a venture or legitimised as a market.

But this work on individual applications or services does not necessarily, of itself, create an environment where technology can be seen as a social good. Without systemic work to ensure freedom of access and agency online we risk new digital divides being just another form of exclusion or deprivation.

Beyond being a savvy user of technology, civil society has a crucial role in making sure that technology works for and is a force for good for everyone.

Unlike our role as consumers in a market, or recipients of services from governments, civil society is about us taking part. For me, this is about more than better understanding or improving digital skills; we need civil society to have a stake in what technology is for, who owns it, and how it shapes our lives.

Civil society influencing technology

Shaping the future upstream

There is a powerful, under explored and under utilised role for civil society: that of using its collective intelligence and wisdom to shape the future. Orienting us in both the public's and the planet's interest will never be achieved by market forces.

Civil society organisations often have unparalleled insights into people's lives and experiences that could and should shape policy decisions and legislation. From a societal point of view, social sector organisations have a kind of sensing opportunity to understand where the biggest challenges are across our communities: where you see particular peaks of demand or where you see the implications of policies, it's often felt first by charities having to provide, having to step in. This insight should be shaping how technology is used in their lives and communities, instead of the other way around. If we positioned civil society further upstream, instead of perpetually pushing it downstream only as the problem solver, then some of our larger societal challenges could be prevented or addressed sooner.

Communities participate in shaping the future

New technologies are creating new inequalities and exacerbating existing ones. This is especially the case in a pandemic world, which is creating a new class of the 'tech left-behind': kids without laptops who can't do school work from home; elderly relatives in care homes without good Wi-Fi; people living homeless without access to data to reach support from services.

But in a world where you can write yourself into being with your social media account and an app created in a bedroom can challenge a national policy on immigration[6] it's not enough for people just to be passive consumers of technology. It's important therefore that civil society is also well-placed to equip communities with greater understanding of technology, beyond improving digital skills and confidence.

[2] www.drdoctor.co.uk
[3] www.goodgym.org
[4] www.provenance.org
[5] www.organise.org.uk
[6] E Cresci, "Chatbot that overturned 160,000 parking fines now helping refugees claim asylum", The Guardian, 6 March 2017

While new skills are helpful in terms of using new technologies, skills don't shape the future.

To shape the future, communities need to understand how technologies work: the rules and structures they rely on, and their implications. This is the first step towards having more power and agency over technology and its role in our lives.

The Community Tech Fellowship in Greater Manchester is a good example of how to do this.[7]

As Doteveryone says:

"*Digital understanding is not about being able to code, it's about being able to cope; it's about adapting to, questioning and shaping the way technologies are changing the world*."[8]

No one can – nor should they have to – comprehend the workings of each and every digital interaction they encounter in their lives. The complexity is mind boggling and ever increasing. But there are underpinning dynamics to technologies – the economic contract implicit in the exchange of data for services, or how algorithms are used to direct decision-making or consumer choices – which are important to grasp. These skills would mean that communities are better able to realise that prices can vary online, be alert to illegitimate companies, know how tech companies make money, and be aware of their consumer rights online.

More importantly, with this understanding communities are better able to advocate for themselves and ultimately reshape the technology sphere to greater levels of fairness and mutual interest.

New local digital infrastructure and civil society

Many of the platforms we rely on in our day to day lives (WhatsApp, Google or Facebook, for instance) are free to use and instantly accessible. But they generate income from the data they capture about us, and use this to drive advertising. They are also run by US-based private companies, who could change how they work or their pricing model at the drop of a hat. As charities and civil society organisations grow more reliant on these tools, we may see a future where much of our social and civil society infrastructure is run by these 'tech giants' and as such could be at odds with civil society's unique role and purpose.

There are some examples - set out below - of civil society starting to build its own foundations for a new local digital infrastructure, where communities have more control over how these tools are used and importantly the value that is created.

Building community power

In both New York and Detroit they have Community Tech initiatives that demonstrate what happens when a community's understanding of technology is used to go further than advocacy work, and instead has led to imagining better community futures. The Detroit Community Technology Project's mission is to "*use and create technology rooted in community needs that strengthens neighbours connection to each other, and to the planet*".[9] They have a neighbourhood-level digital infrastructure that was built by the community, is owned by the community and is maintained by the community. In the UK, the Equal Care Co-op is a cooperatively owned technology platform that is co-created by and accountable to members, putting power into the hands of people who give and receive care and support.[10]

Generating value

The Open Food Network is building an important piece of everyday digital infrastructure for a fairer food distribution system.[11] This vibrant, richly-connected network of independent Community Food initiatives work to meet the needs of local communities with healthy, sustainable food. The platform is open source, owned and controlled by the people who grow, rear, process and eat the food.

7 www.communitytechfellowship.com
8 medium.com/doteveryone/tagged/digital-understanding
9 detroitcommunitytech.org
10 www.equalcare.coop/

Creating meaningful dialogue

The *vTaiwan* initiative[12] - developed by the civil society movement *g0v* at the invitation of the Taiwanese government, following the 2014 Sunflower Movement protests - is a leading example of how digital platforms are being used to build consensus between industry, civil society and the public around complex policy issues. The platform has been a great success: it's supported the ratification of new ride-sharing regulations and the resolution of a disagreement between civil society activists around internet alcohol sales. It is a leading global example of digital democracy, demystifying the process of policymaking and involving citizens directly in decisions.

These examples are stories of how

civil society can create new forms of social infrastructure that provide a foundation for different ways of community engagement and organising - that in turn can achieve social change.

In our fractious and polarised world, civil society has a crucial role in self-organising and creating links between different communities, whether through local places and activities, or through actions that form new connections and shared experiences, like voting.

The role of funders and philanthropy

A strong civil society is more important than ever - one that is led by communities, and is able to anticipate, adapt to and shape the future. For this to be possible, and for communities to thrive, funders have some clear responsibilities in relation to technology, digital and data.

Working to ensure that civil society has a role in shaping new technologies and technology infrastructure

The first responsibility is to ensure that we make visible the tensions and trade-offs of technological change. Data and technology have dramati-cally changed society over the last two decades, and have created great opportunities; but they have also deepened existing inequalities and brought with them new social challenges. The roll-out of cashless payments for instance, is fraught with such tensions. Without acknowledging them, resources cannot be put in place to take care of those who might be left behind, or to limit the velocity of change. Levelling up has significant meaning when it comes to technology in our communities.

Ensuring that we have in place the social infrastructure to match our technological ambitions

The second is to support how civil society responds to new technology. To address the systemic changes technology is bringing to society, there is an important role for philanthropy to ensure social infrastructure keeps up. As everyday life becomes more screen-based and automated, there is an urgent need for new and different thinking about the support structures we need as individuals, and the shared amenities that communities need to thrive and survive.

WhatsApp might be a convenient and accessible venue for many people but it doesn't mean that everyone with WhatsApp on their phone is also a good host. What was learnt from the Glimmers research published earlier this year, is that new online communities came together during Covid because of good facilitation which was often supported by offline activity (such as leafleting and flyering) and existing community expertise.[13] It also revealed that mutual aid was quite asymmetric in some neighbourhoods: lots of people wanting to help, fewer people wanting to ask for help.

If the underlying social structures and inequalities are writ larger then further roll out of mutual aid will not be a means for levelling up, but for deepening local inequalities.

Similarly, the low take-up of the NHS volunteering app showed this asymmetry. Catalysing a community response requires more than just technology, it relies on there already being social infrastructure in place.

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[11] www.openfoodnetwork.org/
[12] info.vtaiwan.tw/

It showed that this is not just a matter of opening the floodgates but how necessary it is to create meaningful, long-term and durable structures for the development and maintenance of social infrastructure.

Making sure that social and civic infrastructure is maintained

Thirdly, it's not enough just to build these things once. Infrastructure in all its forms needs care, maintenance and futureproofing to ensure that it is not overtaken by the next wave of social change. This doesn't bring the currency of novelty but requires the deep and reflexive work of iteration and refinement. For platforms and networks to thrive in a constantly changing world they need to be supported to change and develop themselves. By choosing what kinds of work to support, funders send a message about what kinds of work are valuable. Alongside a renewed social infrastructure, the creation and maintenance of digital infrastructure is essential to the resilience and renewal of a digital society. However, these activities suffer from being perceived as neither very innovative nor very visible – both qualities on which funders especially tend to focus attention. "The world at large needs more maintainers rather than resource takers"[14] to contribute to the local fabric of our life together

A more equitable, digital future

Lastly, philanthropy has a role in raising aspirations of what is possible and setting out a better, more equitable future for more people. It needs to support the creation of a civil society that is not just instrumental but that is imaginative, with social infrastructure that is renewed for these technology-driven times. We need much bigger transformations than looking for the first-order efficiencies created by data sharing, better administrative systems and the reliance on for-profit platforms: this is an opportunity to regroup, to rethink structures, and to imagine the unimaginable. Technology cannot do that on its own - it needs the power of community.

[13] glimmersreport.net/
[14] themaintainers.org/

Other Law Family Commission on Civil Society Publications

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