Independence of the voluntary, community and social enterprise sector in Northern Ireland.

CHANGING NARRATIVES, CHANGING RELATIONSHIPS: A New Environment for VCSE Action?

FINAL REPORT

NOVEMBER 2016
ABOUT THE BUILDING CHANGE TRUST

The Building Change Trust was established in 2008 by the Big Lottery Fund with a National Lottery grant of £10million as an investment for community capacity building and promotion of the voluntary and community sector in Northern Ireland.

The Trust supports the voluntary, community and social enterprise sector in Northern Ireland through the development, delivery of, and learning from a range or programmes including commissioned work, awards programmes and other interventions.

Between now and 2018, our resources will be used to support the community and voluntary sector to achieve more and better collaboration, increased sustainability and to be a learning sector which identifies, shares and acts on lessons of others’ actions. This work will be carried out across 5 overarching thematic areas: Collaboration, Social Finance, Social Innovation, Inspiring Impact, and Creative Space for Civic Thinking.

To date, the Trust have been involved in the commissioning of a number of successful programmes and organisations including Collaboration NI and Inspiring Impact NI.

In the realm of Social Finance, the Trust has also made a £1million investment in Charity Bank. The Trust has also created a small loan fund with Ulster Community Investment Trust.

In Social Innovation the Trust has made grants for socially innovative projects, undertaken research in key areas such as Digital Social Innovation and has commissioned a number of social innovation processes to experiment with new ways of designing solutions to social problems. To date these have included the Young Foundation’s Amplify NI programme, Si Camp, and the Techies in Residence programme. Most recently the Trust has launched Social Innovation NI - a collaborative platform for the delivery of practical supports to social innovators.

As part of their work in Creative Space for Civic Thinking, the Trust has been instrumental in the setting up of the Northern Ireland Open Government Network and has stimulated and resourced innovation in civic engagement at local level through its Civic Activism Toolkit and Awards Programme. The research partnership with Ulster University examining the independence of the VCSE sector - of which this report is the key output - is also a core part of this.

ULSTER UNIVERSITY – INSTITUTE FOR RESEARCH IN SOCIAL SCIENCES (IRiSS)

The Institute for Research in Social Sciences (IRiSS) seeks to harness and develop the highest quality research within the broad areas of social and public policy with social work, education, politics and international studies.

It provides an institutional framework for undertaking high quality research and for the development of a vibrant research culture through organising seminars, colloquia and lectures, funding participation by Institute members in national and international conferences and a forum for engaging with policy makers and those involved with service delivery in the public and voluntary sectors.

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FOREWORD FROM THE BUILDING CHANGE TRUST

Beveridge defined a voluntary organisation as “one which, whether its workers are paid or unpaid, is initiated and governed by its own members without external control”.

From its beginnings in the voluntary activism and philanthropy of the 19th Century the purpose of the voluntary and community sector has been the free association of citizens to improve one’s lot and that of fellow citizens. It has always been more than the delivery of services and whilst this is a significant aspect of voluntary action the freedom to give voice to the most vulnerable and marginalised people in society is a keystone of the voluntary and community sector and indeed as Beveridge states “the distinguishing marks of a free society.” The agent for social change is as Margaret Simey states … “voluntary action.” She goes on to say, “No government is elected to contravene its own manifesto. It is to the conscience of the dissenter and the non-conformer that we must look for the will to change.”

The Building Change Trust was established in order to support the Northern Ireland Voluntary, Community and Social Enterprise sector to explore the challenges and find creative solutions in a rapidly changing context. The issue of the sector’s independence has been a recurrent theme across the Trust’s work and lifespan to date, raised by sector representatives themselves, usually based on a sense that independence was being undermined or even taken away.

In response to this, and inspired by similar work at UK level in 2014 we commissioned Ulster University to carry out a two year research initiative to probe the issues further and build a local evidence-base. Through this our intention is to inform and equip the sector to debate and self-reflect, as well as to engage in meaningful dialogue with government about the nature and practice of its relationship.

The interim report, released in January 2016, primarily explored the sector’s own perceptions of the state of its independence. This final report includes those findings but also paints a fuller picture by adding voices from within government.

The findings raise a number of challenges for both the sector and government around the nature and purpose of their relationship. The report suggests there are currently a number of competing visions and a mismatch between rhetoric and reality.

In a rapidly changing context, greater clarity and mutual understanding about the direction and intention of travel must be sought by all parties. Failure to do so could result in a further fragmentation of the sector, greater acrimony in the relationship with government and ultimately a failure to achieve the better outcomes for citizens that all of us desire.

We are pleased to be able to offer this report as a contribution and prompt towards a constructive and mutually beneficial dialogue.

Bill Osborne MBE
Chairperson
Building Change Trust

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1. INTRODUCTION

This research set out to explore the independence of VCSE organisations, how they understand the notion of independence, their relationship with government and the wider environment within which they operate.

This research has engaged with what is an undoubtedly valuable and bewilderingly complex ecosystem of voluntary organisations, many of whom are reliant on highly dedicated staff and volunteers. These vary in history, size, orientation, geography, activity, theme, specialism, aspiration and ways of working. The research has mapped how, from welfare advice and protection of the environment, to training and the provision of much needed services to some of the most deprived and marginalised individuals and communities in Northern Irish society, the sector contributes to the lives of individuals and to wider society.

It should be clear that while this report uses the term ‘VCSE sector’, the idea of ‘a sector’ overlays the coherence of what is, in fact, an extremely diverse field of more or less formal groups, associations and organisations. For this reason, it is extremely difficult to make generalisations that apply in all circumstances or for all organisations. It will be for individuals and organisations within the sector to critically reflect on and debate how, and to what extent, the narrative being articulated in this report by their co-workers and volunteers is in keeping with their own lived experience of operating in the sector. After the participation of hundreds of individuals through surveys, interviews, focus groups and engagement events, it is possible, however, to draw out some tentative context-specific conclusions, especially for those organisations that are managing relationships with government funders.

The research in a UK context

The report builds on earlier work commissioned by the Trust, as well as on research conducted in the rest of the UK by the Baring Foundation’s ‘Panel on the Independence of the Voluntary Sector’ and the National Coalition for Independent Action (NCIA). Drawing on a wide range of primary and secondary data sources, this report provides a unique insight into issues and perceptions of independence in the Northern Irish context at a time of significant change.

Defining the independence of the VCSE sector is not an easy task.1 The sector is a “loose and baggy monster”2 with a myriad of organisational types and sizes. The sector conducts its work in many policy fields, its organisations have a range of geographical remits and each organisation has a particular relationship with government and other funders. This means that experiences and understandings of independence are likely to be as varied as the sector is diverse. In the UK more broadly, a number of actors have expressed growing concerns that certain policy developments were threatening the independence of the sector. Despite the complexity of the issue and no agreed understanding of what is meant by independence in this context, some in the sector have recognised that ‘we need start somewhere’ and initiate a debate about the sector’s relationship with government and threats to its independence. This research has drawn on the work of the Baring Foundation and the Independence Panel, and in particular, their conceptualisation of independence.3

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1 Alcock, 2010
2 Kendall and Knapp, 1995: 67
3 Baring Foundation, 2015
Relevance of the UK context in studying Northern Ireland

This research set out to uncover to what extent the processes and outcomes outlined above have the potential to be replicated in Northern Ireland. For the VCSE sector, the English context continues to be informative, given the influence of New Labour ‘partnership’ policies on the development of the VCSE sector’s relationship with government in all regions of the UK.

Indeed, the similarities in the policy context – not least, the greater use of contracts for services – have led to concerns that independence could be under threat in Northern Ireland. In both contexts, the VCSE sector’s relationship with government has evolved from relative independence, to an extension of public services to becoming a part of a mixed economy of service delivery and contracting for services. Each of these phases in the relationship has led to greater degrees of engagement between the sector and the state, thus raising increasingly complex questions about the sector’s independence.

At the same time, Northern Ireland remains exceptional in many ways. It has its own specific history in terms of the development of the sector and its relationship with government has been different to that in other regions, shaped as it was by Northern Ireland’s history of conflict, division and repeated political vacuums.

Therefore, the questions for debate are:

- How likely is it that the Northern Ireland sector will follow precisely the same route as England?
- Does the sector’s particular history and circumstances present specific opportunities, challenges and threats in terms of VCSE independence?

In 2015, the Independence Panel concluded in its fourth and final report that:

- There has been a loss of the sector’s distinctive identity and respect for its independence.
- There is a lack of meaningful government consultation with the sector.
- Statutory funding is not supporting a strong, independent and diverse sector, and poor commissioning and procurement practices fail to draw on the distinctive strengths of voluntary organisations.
- There are ineffective safeguards for sectoral independence.
- There are threats to independent governance.

The experiences of the National Coalition for Independent Action (NCIA) resonate strongly with the above concerns over independence, and this research has also drawn on NCIA’s conceptualisations of independence and the body of evidence they have collected. The Coalition was established in 2007 to mobilise support from community and voluntary groups at grassroots level to challenge “the complicity of big national charities and infrastructure organisations in the government’s co-opting of the voluntary sector.” NCIA’s campaigning called on voluntary organisations to remind themselves of their commitment to social justice and the importance of being seen as champions of positive social, economic and environmental development. Despite its campaigning, the outcome was not wholly positive, and the campaign ended its operations in 2015 stating that:

“We have failed in our other aspiration – to persuade mainstream voluntary services to speak out with others in pursuit of social justice and defend their autonomy as independent forces for change...so we have decided to stop. Something else is needed now to occupy the space we have taken. We believe the future lies in grassroots activism and the re-imagination of voluntary action able to speak out its politics.”

4 http://www.theguardian.com/society/2018/mar/19/voluntarysector
5 http://www.independentaction.net/blog/2015/11/02/ncia-says-thanks-and-goodbye/comment-page-1/
6 For a more detailed discussion of the partnership rhetoric and its significance in the development of the government-VCSE relationship, see the interim report ‘Independence of the voluntary, community and social enterprise sector in NI: finding a new story to tell’.
7 Acheson, 2014
8 Lewis, 1999
9 Acheson and Williamson, 1995
10 Birrell and Williamson, 2001: 207
11 McCall and O’Dowd, 2008: 33
12 O’Dowd, L. and McCall, C. 2007
13 Braniff and Byrne, J. (2014)
The research process

Researching the voluntary and community sector can be a complex and difficult process as the scope and definition of the sector remain highly contested. The data on the sector is constantly improving, but as in the UK, there is no consistent and undisputed data source on the size and shape of the sector. It remains the case that, though the VCSE would seem to be a relatively identifiable aspect of social life, much of what could be described as ‘the sector’ lies ‘below the radar’ of official bodies and researchers.

Literature review

The starting point for the research was a comprehensive review of the research and policy literature. However, capturing the complexity of the debates and identifying gaps in this literature is difficult as the empirical research is located across several academic disciplines, from public administration to politics, social policy, sociology, and international affairs, as well as women’s and disability studies.

Increasingly, there has been a tension between radical and neo-liberal interpretations of the sector, with the former seeing it as the basis for building new alternatives and the latter seeing it as a service-providing sector that can compensate for market failures. It is of course impossible to document all the nuances and controversies surrounding these different ideas of the sector.

Based on the findings of the interim report, the key area of concern for the sector involved the relationship with government at a time of change and uncertainty. Through a review of the literature, it was possible to identify the dominant narratives about the relationship between government and the sector, and the assumptions around which these narratives are constructed. These are summarised in Figure (insert number) under ‘Dominant Narrative’ and describe the partnership-based approaches to government-sector relations. By comparing this partnership discourse with empirical data, it is possible to capture the extent to which there is any divergence between the rhetoric and reality of government-sector relationships.

The empirical data, together with a review of the literature regarding the VCSE sector in Northern Ireland and the wider UK, indicates that community or liberal models of voluntary and community action have been dominant in narratives concerning voluntary and community action. Within these models, the focus is on doing activities for the purposes of helping others, or the aim of the activity will be to build a sense of belonging through cooperation around shared aims. In other words, funded organisations can provide much needed support for people in need, but they will do so with little reference to the objective structural conditions within which they live. These community or liberal models have framed the narrative about volunteering and the sector in the UK over the last few decades, and they have largely displaced radical models that focus much more heavily on engagement in political issues and critical thought about issues of injustice and the redistribution of resources.

The review of the literature suggests that there has been something of a rediscovery of radical models and critical theories of voluntary and community action. These models have their origins in a critical model of citizenship and conceptualise an independent sector as one that is not just critically reflective about state action and structural problems, but is also critically reflective about how its own actions, objectives and activities can echo certain ideological, normative and political stances. These models provide a new perspective and a critical lens for unpacking the dominant narratives of voluntary action in Northern Ireland. Some of the key characteristics of these radical models have been summarised in Figures 8 and 12.

Survey and interviews

This research has employed a mixed-methods approach to explore the independence of the voluntary and community sector in Northern Ireland. After completion of the initial stages of the literature review, quantitative data was collected using an open-survey link and through direct targeting of organisations. The questionnaire was completed by 179 individuals from 166 organisations. This included responses from 83 chief executives. Chief executives responded to a number of additional questions about funding, staffing and the wider policy environment. These questions allowed for further disaggregation of the data to tease out differences between policy fields, size of organisation and funding sources. Northern Ireland’s existing sectoral profiles are based on survey data of self-selecting organisations and the sampling frame (the database of organisations) is incomplete. For these reasons, it is impossible to make statistical inferences from the data or gauge the extent to which any survey sample is representative of the population of organisations. Therefore, the quantitative data should be treated as indicative of the mood and concerns of the sector at this time. As the survey data was being collected, qualitative data was being gathered through focus groups and interviews. Both methods were employed to capture understandings of independence and threats to independence in greater detail.

The second phase of the research involved an iterative process of conducting interviews with civil servants and more individuals within the sector, moving between government interviewees and sector interviewees to explore themes and issues as they arose in the data. In addition to the triangulation of different types of data, the reliability of the findings was improved by using a “key informant” approach. Key informants must meet a certain number of criteria and are selected because, as a result of their position, they are able to provide more information and deeper insights into the topics under investigation. Their role or position must also expose them to the kind of information necessary to address the research questions, and the informant should have had reason to think about the issues in a meaningful way. The interview questions required respondents to critically reflect on their own practice, views and experiences, and therefore the data captures individual perspectives rather than official, organisational or departmental policy. By using an iterative, key informant and mixed-methods approach, by identifying themes that are repeated within the types of data and across the types of data, and by utilising member checks, we can be confident that similar findings would be made by other researchers asking similar questions.

To illustrate the different narratives captured in the research, quotes have been selected from the data and across the types of data, and by utilising member checks, we can be confident that similar findings would be made by other researchers asking similar questions.
Despite commitments to ‘equitable partnership’, the findings of both the qualitative and quantitative data suggest that the sector, on some occasions, is operating in an environment where it does not feel that its independence is respected or recognised by its main funder. Just 21.8% of all respondents believe that government recognises and respects the independence of the sector, with more than half of respondents (50.6%) disagreeing, and this is a finding that holds across a range of different groups within the sample (see Figure 2). In addition, many sectoral interviewees believe that government has failed to meet its Concordat commitments, including its commitment to independence.

What we in the voluntary and community sector, what we say is, all the rules and all the parameters are set down there [in the concordat], including independence. All we really need, the voluntary and community sector, is for the concordat to be implemented…the biggest single failing this sector has had over this last twenty years is that they haven’t been able to get the concordat implemented.

This view is in line with those expressed in research conducted across the UK, with such views reflecting a change in the UK government’s narrative of the voluntary sector. This narrative increasingly characterises the sector as a service delivery agent and as a depoliticised actor, expected to deliver government services to a predetermined script. As we can see in Figure 3, a much higher proportion of those that receive the majority

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2 SYSTEMIC CHALLENGES TO INDEPENDENCE

The review of the literature indicated that a number of key issues would provide a useful starting point for the research. Perceptions about how much government valued the sector’s independence, the diverse understandings and definitions of independence, mission drift and competition between voluntary organisations had all been issues raised in the research literature.23 24 25

We can see from Figure 1 that the VCSE sector in Northern Ireland does see the idea of independence as important, and organisations believe that a sense of mission and key principles guide their work.

As Figure 1 illustrates, the importance accorded to independence and mission is shared across all levels in organisations, from non-management to management to chief executive.

Figure 1. % Agree/Strongly Agree

<table>
<thead>
<tr>
<th>Perception</th>
<th>Sample</th>
<th>Chief Executive</th>
<th>Management</th>
<th>Non-Management</th>
</tr>
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<tbody>
<tr>
<td>Independence of purpose and mission is important to our organisation</td>
<td>92.7%</td>
<td>94%</td>
<td>90%</td>
<td>86.6%</td>
</tr>
<tr>
<td>Staying true to our principles is central to our activities</td>
<td>97.6%</td>
<td>97%</td>
<td>96%</td>
<td>95%</td>
</tr>
<tr>
<td>Staying true to our mission is central to our activities</td>
<td>95%</td>
<td>97%</td>
<td>97%</td>
<td>98%</td>
</tr>
<tr>
<td>Our organisation has defined principles that guide its work</td>
<td>95%</td>
<td>97%</td>
<td>96%</td>
<td>94%</td>
</tr>
<tr>
<td>Our organisation has a clearly defined purpose and mission</td>
<td>97.5%</td>
<td>97%</td>
<td>97%</td>
<td>95%</td>
</tr>
<tr>
<td>Our organisation’s mission always reflects the needs of our service users</td>
<td>97.2%</td>
<td>96%</td>
<td>97%</td>
<td>95%</td>
</tr>
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23 Bruce and Chew (2011)  
24 Macmillan, 2010  
25 Rees, (2014)
of their funding from a non-government source are confident that their services are shaped more by their service-users than the demands of funders. This finding is in line with research in the UK that suggest keeping a seemingly voluntary partnerships between government and the sector often mask the use of hierarchical power by the state to orchestrate and control some sector organisations, and partnerships have become a common form of incorporation of VCSE sector organisations into public service delivery.

If more than two-fifths of chief executives that are funded mainly by government are sceptical that their services are shaped more by their service-users, can the sector innovatively respond to the needs of its service-users? As Figure 5 (p. 16) illustrates, less than a third of chief executives believe that the funding system allows their organisation to act flexibly and innovatively. These findings would seem to stand in stark contrast to government rhetoric about how the sector’s independence gives it a “capacity for innovation” in efforts to tackle existing social challenges.

Frustration at having to operate in an inflexible hierarchy, when relationships are supposed to be equitable partnerships, is exacerbated by what some sector organisations believe to be a culture of extreme risk-averse within some funding departments. Indeed, even senior officials in government are quick to recognise that a culture of risk-aversion in government away from a culture of risk-aversion that may be incompatible with innovativeness or creativity. Some officials also point to how, though they have tried to instil a culture change in departments, it has been a slow and difficult process. This resistance may be less about a lack of trust between government and the sector or an unwillingness to change, and more about the fact that long-standing practices and bureaucratic processes do not change overnight.

Public servants are traditionally risk averse... but this is an issue for us, at the highest levels it has been recognised that we need to shift the compass a little bit on this issue to give staff confidence that if they try something that doesn’t work that they won't be held personally accountable for it. The culture has to be - to learn from the experience and move on. [Government Official]

Some government officials actually go further than some sectoral interviewees, pointing to the need to change the culture across government away from a culture of risk-aversion that may be incompatible with innovativeness or creativity. Some officials also point to how, though they have tried to instil a culture change in departments, it has been a slow and difficult process. This resistance may be less about a lack of trust between government and the sector or an unwillingness to change, and more about the fact that long-standing practices and bureaucratic processes do not change overnight.

It’s the culture of the assembly and the public accounts committee that drives that [risk-aversion], so they themselves have to be open to... it’s the culture of the assembly and the public accounts committee that drives that [risk-aversion], so they themselves have to be open to the idea that everything we try may not work. It all comes down to the appetite for risk as part of the governance systems. [Government Official]

Another key theme emerging from the literature, and that was highlighted by a number of interviewees, is the increasing competition between organisations. Some see competition as a positive force, with the market favouring the best and most efficient and effective organisations, thus keeping standards high for service-users. However, others view this as another challenge to independence, as such competition leads to antagonistic relationships in situations where co-operative relationships would best serve end-users and communities. The sector, for many decades, has been a sphere for collaborative action that cuts across social divides. Yet with the level of competition in the system, for most respondents and most chief executives the sector is locked into an environment where the weight of competition makes it difficult to build trusting relationships with other organisations (see Figure 4). In addition, for many interviewees, the level of competition that has been introduced into the system has been part of a clear strategy to ‘divide and rule’ the sector.

Government doesn't want us talking to each other because it means they have power and... Government doesn't want us talking to each other because it means they have power and control and are able to set us against each other to basically barrier for the best price. [VCSE]
In response to the issue of competition, some officials acknowledge the role of government policy in driving competitive practices within some sections of the sector. These officials point to how the system actually engenders competition between organisations, when government policy seeks to promote more partnership and collaboration.

“It could be that through our funding systems we are introducing more competition when what we actually want to see is more collaboration.”

[Government Official]

In terms of competition from the private sector, some civil servants are also keen to stress that the funding can be restricted to the VCSE sector, thus deliberately excluding private sector companies from particular areas of work. These civil servants argue that large private sector companies will be able to undercut VCSE organisations from particular areas of work.

“Some civil servants are also keen to stress that the funding can be restricted to the VCSE sector, thus deliberately excluding private sector companies from particular areas of work.”

[Government Official]

In England, explicitly temporary ‘transition funds’ have been made available for organisations to become less dependent on government funding and adapt to a changing funding environment. This decoupling was deeply ideological in nature as it was driven by the UK administration’s commitment to reducing public spending and a belief that an overbearing state was ‘crowding out’ spontaneous voluntary and community action. A number of policy developments heralded a fundamentally new approach to government-sector interaction to be reformed by “providing a route” for representative bodies to “become independent of government funding”. Assumptions about the relationship between the state and the sector would also be challenged as government focused its efforts on encouraging independence from state funding across the sector. Government would seek to halt the ‘creeping dependency’ of the sector on government resources, and consultation papers were soon arguing that the sector had to become more “entrepreneurial” and “embrace new skills, partnerships and organisational models”. The Westminster administrations have been implementing a top-down restructuring of the relationship between the sector and the state, and a new language has been employed to constantly signal that government is seeking to divest itself of responsibility for the sector. In the process, government has also recast the role and nature of the sector by inspiring certain responses on the part of organisations as they seek to adapt to a changing environment. The findings of the interim report captured the most important organisational responses identified in this research. These are thematic organisational responses that could pose a threat to sectoral independence.

3 A NEW ENVIRONMENT FOR VOLUNTARY AND COMMUNITY ACTION

The views of many sectoral and government interviewees would suggest that some sections of the sector have been slow to engage with the new environment that has emerged with the shift away from New Labour models of partnership governance. Through different policy shifts and a changing of rhetoric, the Coalition and Conservative governments sought to implement a partial ‘decoupling’ of the state and the sector.29

The new approach would purportedly renew the sector’s innovativeness and vibrancy and free it from the bureaucratic burdens that had morphed it into a “mini public sector”.30 and government was clear in its determination to shrink the size and scope of the voluntary and community sector.31 In England, explicitly temporary ‘transition funds’ have been made available for organisations to become less dependent on government funding and adapt to a changing funding environment. This decoupling was deeply ideological in nature as it was driven by the UK administration’s commitment to reducing public spending and a belief that an overbearing state was ‘crowding out’ spontaneous voluntary and community action. A number of policy developments heralded a fundamentally new approach to government-sector interaction to be reformed by “providing a route” for representative bodies to “become independent of government funding”. Assumptions about the relationship between the state and the sector would also be challenged as government focused its efforts on encouraging independence from state funding across the sector. Government would seek to halt the ‘creeping dependency’ of the sector on government resources, and consultation papers were soon arguing that the sector had to become more “entrepreneurial” and “embrace new skills, partnerships and organisational models”. The Westminster administrations have been implementing a top-down restructuring of the relationship between the sector and the state, and a new language has been employed to constantly signal that government is seeking to divest itself of responsibility for the sector. In the process, government has also recast the role and nature of the sector by inspiring certain responses on the part of organisations as they seek to adapt to a changing environment. The findings of the interim report captured the most important organisational responses identified in this research. These are thematic organisational responses that could pose a threat to sectoral independence.37

29 Macmillan, 2013
30 Social Justice Policy Group 2006
31 Rees and Mullin, 2016
32 Alcock, 2012
33 Cabinet Office 2011 cited in Macmillan, 201334 Raco and Flint, 2001
34 Office for Civil Society 2010: 6
35 Macmillan, 2013
36 Milbourne and Cushen, 2016
37 It should be noted that we treat these four characteristics as ‘ideal types’, describing a range of possible behaviours by identifying the essential characteristics attached to each. In practice, organisations may express a mixture of characteristics or shift between or in and out these characteristics, or none at all. They should be seen as heuristic and as a way to simplify some of the complexity involved.
During the research process it has been possible to use these responses as an analytical framework, and in doing so, we can explore the implications of these responses for the sector. The picture is a complex one, but it is clear that these responses point towards potential threats to independence and they are likely to contribute to changing relationships within the sector and between government and the sector. The qualitative data outlined in Figure 7 illustrates how the response of some organisations to a changing environment have the potential to change the nature and role of the sector, relationships within the sector and relationships between the sector and government.
Changing policy rhetoric, changing relationships

In their pre-election rhetoric the Conservative Party promised to “create a powerful Office of Civil Society to fight for the sector within Whitehall”, yet the office’s budget was cut significantly and its capacity to play a coordinating role across government has been drastically restricted.38

Accelerating processes put in place by New Labour, the administration drew on the rationale of classical economic theory to argue that improvements in efficiency would emerge when there was sufficient competition to push up performance, and this has resulted in the further opening up of public services to competition from the VCSE sector, and increasingly, the private sector.40 With the Conservative government’s privileging of the market as the organising mechanism for the distribution of resources, VCSE organisations have had to adopt a wide range of competencies and practices that are traditionally associated with private sector management styles. In other words, there has been a move away from values-based decision-making to means-based decision-making.41

In the UK and internationally, a wide-ranging debate on the future of the voluntary and community sector has been confronting how organisational responses to a shifting policy environment is impacting on the claimed ethos and nature of the VCSE sector. In many ways Northern Ireland’s sector is catching up with the rest of the UK in that it is undergoing a top-down rationalisation set in motion by both the Westminster and devolved administrations, however, the level of debate about the role and nature of the sector in Northern Ireland is well behind that of the UK.

This research would suggest that the unprecedented golden age the sector experienced during the post-1997 New Labour era is over. The sector experienced rapid growth and professionalisation as New Labour’s third way ideology offered a central role in governance and service delivery to ‘civil society’ organisations.42 and despite New Labour’s strategies for the promotion of volunteering, their preference for working with professionalised organisations restricted the scope for volunteering in some VCSE contexts.43 The Westminster government hailed the sector as a new territory for intervention in communities, and promised the sector more influence as insiders to decision-making.44 The New Labour rhetoric of inter-organisational collaboration, partnership, joined-up working, ‘cross-cutting’ issues, ‘citizen-centred’ services and community level solutions, alongside a substantial increase in the resources allocated to the sector,45 had obvious appeal for some sector organisations for such access and resources could potentially shift them from the margins towards the mainstream. In Northern Ireland, where there was already a well-embedded voluntary and community sector, government found fertile soil for its third way rhetoric.

Though the sector in Northern Ireland had played an extraordinary role in the governance of the region under direct rule, during the New Labour administrations the sector enjoyed a period of exceptional growth and institutional recognition. New Labour’s Third Way ideology cast the sector as an alternative to an overbearing state or unrestricted markets, and the sector enjoyed rapid growth and development through capacity building programmes and diverse community initiatives. The Westminster government sought to manufacture a new ‘civic society’, and the role of the increasingly professionalized sector was to deliver the political stability that is necessary for the functioning of an economy that is more market driven, deregulated, more suitable for foreign investment and less public sector dependent. The sector would be backed by a “clear recognition [from government] that the voluntary and community sector has made a powerful contribution to the achievement of better relations between communities”.47

As part of this re-positioning as a ‘valued partner’, the sector enjoyed lavish funding from the EU, London, international funders and unprecedented institutional recognition in a bewildering array of consultative bodies and ‘invited spaces’ for interaction with government. The dominant rhetoric was codified in the 2011 Concordat, with government reaffirming their recognition of the value of “the contribution which the Voluntary and Community Sector makes to the social, economic, environmental, political and cultural life of Northern Ireland”. The Concordat recognised the sector’s purported contribution to democratic governance and it suggested that all relationships between the sector and government will be ‘partnerships’ that are based on “mutual trust and respect.”48 As Figure 8 below illustrates, Northern Ireland is in the process of exiting this New Labour phase of government-sector relationships, and is entering a period that can be characterised as a “partial decoupling” of the state and the voluntary sector, a decoupling that is being experienced as ‘chaotic’ by many in the sector.

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38 Conservative Party, 2008
39 Macmillan, 2013
40 Clayton et al, 2016
41 Rees and Mullins, 2016
42 Rose, 1999: 1405; Marginaves, 1998: 68
43 Rees and Mullins, 2016
44 Milbourne, 2011: 37
45 Haarn, 2003; Clark, 2002; Foley and Martin, 2000; PIU, 2000
46 Milbourne and Cushman, 2013; Kandall and Almond, 1999

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Figure 8. The Changing Nature of Sector/Government relationships

Rediscovery of radical traditions?
Survivors of service delivery rationalisation?
Renewed emphasis on voice, purpose, action?

The Changing Nature of Sector/Government relationships

- Crisis of resources
- Crisis of existence
- DOMINANT NARRATIVE
- PARTNERSHIP
- INSTRUMENTALIST
- DECOUPLING
- REALISTIC
- COMPLEMENTARY

Sector Grows PAST
Sector Rationalised PRESENT
Sector Independent FUTURE

Manufactured coupled
Creative – Chaotic
Democracy Measured by output
Prescriptive
Chaotic – Technocratic Measured in detail
Organic Creative – Mutual ‘Realistic’ Measured by impact

Dominant
Instrumentalist
Realistic
Complementary
Rethinking the relationship

The question now facing the sector is - "what will it look like as it moves into a more 'realist' phase of government-sector relationships."

Whereas the 'partnership' era was focused on ideas about civic revival and the delegation of decision-making power to communities in a mixed economy of welfare, the decoupling phase is characterised by a privileging of the market and support for ideas such as enterprise and volunteering, with a transfer of responsibilities away from the state. In the realist phase of complementarity, the transfer of responsibilities away from the state is likely to intensify, and the future sector is likely to become increasingly bifurcated into organisations that can survive in the competitive environment and those that have decoupled from the state.

Calls from government to collaboration, and for a shift away from a perceived siloed working, have been a distinct part of the narrative on voluntary sector action in recent years. Indeed, the sector has a history in working horizontally and in collaboration, and some parts of the sector have taken ownership over their role within this collaboration agenda. However, sectoral interviewees have suggested that they would like to see their efforts at collaboration be matched by a more joined-up approach across government departments.

Rhetorical shift

The trajectory of government policy in Northern Ireland is now largely following that set out by the Westminster administration, and while there is still rhetorical support for the sector, much of this seems to be in line with Conservative rhetoric of 'supporting volunteering' and independent action. Consultation papers and data collected for this research are peppered with language that is remarkably similar to the language contained in Conservative Party policy documents, and there is little of the 'celebratory' language about the sector's purported contribution to democracy. For example, government will support the sector to develop "a business model that is less reliant on grant funding" and it will invest in "enterprising" VCSE organisations. It is the view of some sectoral interviewees that, in practice, 'less reliant on grant funding' will mean the imposition of a market model in more areas of programme and service delivery. According to some sector interviewees, this will be the case in areas of work that are, in their view, unsuitable for marketization and contracting. It would seem that, with a restructuring of the relationship between the state and the sector, a decoupling that is similar to that being driven by Westminster policy, government-funded organisations may have to align their objectives more closely with government objectives.

Government officials recognise that this will raise difficult issues for sector organisations as regards their independence.

"We have moved more to a service delivery model, we are prescribing the outcomes...what does that mean for the independence of the sector, I don't know, because we will be saying look, we want you to be doing A, B, C, and D for us. Now, does doing A, B, C, and D mean you are not really independent from us, you are just an agent, and where does the challenge go. Do bits of the sector feel confident to say no we don't want to do that?" [Government official]

Rethinking the relationship

There is a dependency, the sector is symptomatic of a dependency culture, there is an expectation that the existence of organisations will be preserved because they are third sector organisations rather than because of the role that they are playing. [Government official]

In the future, it is highly probable that there will be a move away from "historical" funding patterns to a system of funding what one government official calls "what is needed rather than what is available". One government official captures the changing government narrative succinctly by suggesting that - "it comes back to, you know, we fund organizations to deliver public services and outcomes, not to exist."

According to some interviewees in the sector, this chaotic decoupling is manifesting itself as technocratic cuts to services, alongside calls from government for the sector to engage in a process of organically driven mergers and collaborations. Government officials echo some in the sector by calling for a more realistic attitude to the changing environment and strategic collaborations, mergers and rationalisation.

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In many ways this is a rhetorical shift away from the ‘equitable partners’ narrative that dominated policy language regarding government-sector relationships in Northern Ireland for decades. Although there is recognition that effective partnership working relies on continually negotiating the relationship, in practice, it is difficult to reconcile the differences in power between a sector organization and government funder. In the new realities of government-sector networks, organizations must make changes so that they are independent and viable enough to survive gaps in funding, or they might have to look at options for “attracting investment” in a way that they may not have had to in the past. In terms of government funding, becoming attractive for investment will necessarily mean greater compliance with top-down dictates. There will be pressures to comply and the effects on those who do not will not be punitive in terms of the funding they will lose. Indeed, it would seem that, for some officials, issues of independence never troubled the sector in the past. Therefore a move to a more prescriptive and technocratic form of funding should not be overly concerning for those that survive the cuts.

This critique that independence has not been a top priority is recognised within some sections of the sector. As one interviewee suggests, volunteering and the sector have allowed themselves to be ‘co-opted’ since at least the New Labour years. Of course, as interviewees point out, this co-option critique is only relevant to some sections of the government funded sector, thus reinforcing the fact that experiences of and attitudes towards independence vary widely in the sector.

A Narrowing Vision of Partnership

Government officials interviewed for this research are keen to stress that the sector remains an invaluable partner in terms of designing and implementing policy and programmes. Where there is a genuine co-dependency between government and a funded organisation, when an organisation delivers specialist services or when organisations have a quasi-statutory role, organisations can influence government’s agenda in a particular policy field. Some organisations operate in a kind of “policy community” within which they have become a credible voice through longstanding relationships and a clear ability to evidence results. In the main however, some of the interview data would suggest that the autonomy and influence of organisations is becoming more and more limited. It would seem that some officials recognise the sector’s knowledge and expertise in circumstances where government’s agenda and that of a sector organisation are in alignment. This suggests that the idea of interdependent relationships between the sector and the state still have traction in the bureaucracy that manages relationships with the sector, whereas in England, the state and the sector are increasingly being conceptualised as distinct spheres of action.50

However, in line with the new relationship between the sector and the state put in place by the Coalition and Conservative administrations, the view of the sector among civil servants is increasingly instrumental in that it focuses more on harnessing the sector’s work in a way that delivers outcomes in the most cost-efficient way.

There is a challenge there in harnessing all that is good about the third sector…it’s how you harness that to deliver the outcomes that the various government departments want to achieve but with less resources. So there is a challenge there for the sector, can the sector step-up, can it rationalise itself? [Government official]

Following the narrative being set by Westminster, rather than trying to restrict independence, government officials would like the sector to take ownership of the rationalisation process and become more independent in terms of its reliance on government resources. Indeed, some in the sector have already taken the initiative and are now seeking to increase the level of resources they secure from outside government funding streams.51

However, looking at the experiences of the sector in England, in practice the Coalition and Conservative Government’s policies mean a de-professionalization of the sector, with many organisations relegated to largely unpaid community work or corporate sub-contractors. This is despite commitments to a continuing quasi-statutory role for VCSEs in funded service delivery. As Milbourne and Cushman note, looking at the English case, the sector’s value has evaporated under recent administrations, and risks are increasingly “being transferred down to small sub-contractors belying the rationale for the size and financial criteria embedded in contracts.”52 Both the subtle and more obvious shifts in policy rhetoric and the analysis of the current financial environment by senior officials would suggest that Northern Ireland could follow the trends identified in the wider UK. For example, in the interview data there is a renewed emphasis on developing structures for unpaid voluntary action, with sectoral volunteers filling vacuums left by the state’s withdrawal.

Society depends on public money, so there has to be a change in society that things that were maybe done by government and through the public sector could well be done on a voluntary basis...it doesn’t mean government steps back, but it does mean it could put in an infrastructure that is populated by volunteers...activities...could be provided on a voluntary basis by the community, and the voluntary sector could organise that. [Government official]

Echoing the ‘mini public sector’ critique of the Westminster administration, officials will often conceptualise the sector as a structure that will enable volunteerism and social responsibility, perhaps in contrast to a sector that is funded directly by the state. If government is now funding “what is needed rather than what is available”, the measure of the sector’s independence and impact in coming years will be the extent to which they can influence decisions about what these needs are. Embedding processes that enable sectoral critique of policy decisions is likely to be one of the key challenges as the government-sector relationship continues to evolve. These processes will have to give sector organisations confidence that they can critique policies and strategies without fear of negative consequences, for survey data collected as part of this research suggests that a significant minority of respondents have avoided criticising government policy for this reason. Figures 9 and 10, p.26.

50 MacMilan, 2013
51 http://www.nicva.org/stateofthesector
52 Milbourne and Cushman, 2015
As also noted in the interim report, there is a tendency within some sector organisations to view their particular field of work as a priority. In the view of some government interviewees this has the potential to impact on sensible decision-making about the distribution of scarce resources. A common point emerging from data collected from government interviewees is that the sector’s practices and views are often guided by the prioritisation of organisational survival over the allocation of funding based on need. With the shift to funding what is needed as opposed to what is available, government interviewees suggest that there needs to be more recognition from the sector that it is self-interest that is setting the tone of discussions with government funders.

There are conflicts here which the sector probably needs to be a little bit more disciplined in managing, you are speaking to them as advocates for the people they are representing, but at the same time they can be the providers of a service and therefore there is a degree of self-interest, organisational interest, in the discussions that is not always fully transparent. [Government official]

In terms of independence, it may well be that government’s approach to and relationship with the sector will continue to become increasingly instrumental. The value of the sector is increasingly being defined in more limited terms and the kinds of rhetoric contained in documents such as the Concordat seems to be on the wane. It could be the case that the sector is now just one player among many in a competitive environment. Indeed, for government officials, the sector doesn’t always distinguish itself from other sectors in any meaningful way in that its pay structures are in line with the public sector, and as suggested by the official above, its internal competition and protectionism is more akin to private sector practices.

I wonder if the sector are emphasising enough the volunteering part of their role…often when we are engaging with them it is about the contracting of a delivery of a service and they want to be paid for that service, but in that respect they are the same as a commercial provider, or in fact a public provider, and their pay policies reflect the public sector usually, so what’s the advantage then, you would have to say. [Government official]

Though there is recognition of the sector’s role in areas where there is state or market failure, and although some officials do see the sector as the preferred provider of services that require local or specialist knowledge, the interview data did not capture a clear articulation of what could be regarded as sectoral “distinctiveness”. As noted above, under the Coalition and Conservative governments, many organisations have been relegated to unpaid community work or they have been positioned as cheaper corporate sub-contractors. This is driven by a view in UK government that a dependent VCSE sector, one that is akin to a ‘mini public sector’, is “crowding out” spontaneous social action. In data collected for this research, there is a critique of a ‘dependency culture’ in the sector, and that critique is remarkably similar to that of UK ministers and policy documents.

In contrast to the normative rhetoric that surrounded the sector and its relationship with the state in the 1990s and 2000s, for some government officials, the realities of austerity means the implementation of a new approach in government-sector relations, and the preservation of organisations will no longer be guaranteed just because they are VCSE sector organisations. It is also clear that government, as in the wider UK, is beginning to look closely at how the funded sector has the potential to act as a barrier to the development of spontaneous voluntary and community action in a Northern Irish context.

Figure 9.

Our organisation has been **publicly critical of decision-makers** in the past.

<table>
<thead>
<tr>
<th></th>
<th>Agree</th>
<th>Disagree</th>
<th>Neither Agree nor Disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>Majority of Funding from Government</td>
<td>73.1%</td>
<td>27.6%</td>
<td>15.8%</td>
</tr>
<tr>
<td>Majority of Funding from Non-Government</td>
<td>58.6%</td>
<td>70.7%</td>
<td>13.8%</td>
</tr>
</tbody>
</table>

Figure 10.

We have avoided being **critical of government for fear of negative consequences** (Chief Executives)

<table>
<thead>
<tr>
<th></th>
<th>Agree</th>
<th>Disagree</th>
<th>Neither Agree nor Disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>Majority of Funding from Government</td>
<td>39%</td>
<td>36.6%</td>
<td>24.4%</td>
</tr>
<tr>
<td>Majority of Funding from Non-Government</td>
<td>58.6%</td>
<td>31%</td>
<td>5.3%</td>
</tr>
</tbody>
</table>

26 A Narrowing Vision of Partnership

27 A Narrowing Vision of Partnership
The review of the literature suggests that there has been something of a rediscovery of radical models and critical theories of voluntary and community action. These models have their origins in a critical model of citizenship and conceptualise an independent sector as one that is not just critically reflective about state action and structural problems, but is also critically reflective about how its own actions, objectives and activities can echo certain ideological, normative and political stances.

As the sector moves into its technocratic and realist relationships with government, there is a clear and specified role for the parts of the sector that can deliver specialist services or services to scale. However, the shift into the technocratic phase means a move away from seeing organisations as having value in and of themselves and hence the role of other kinds of organisations is more uncertain. The UK is well in advance of Northern Ireland in terms of this debate and some have concluded that the de-professionalisation of the sector is a positive move forward. Those who take this view argue that it compels a sector that has become too managerial and bloated to return to some core principles of activism and freedom of decision-making.

**Two sides of professionalisation**

The extent to which Northern Ireland’s sector will begin a rediscovery of radical traditions or alternative models of voluntary action remains to be seen, given the decades-long processes of professionalisation and co-option to government agendas. However, this research has been able to capture some emerging and competing narratives about the idea of a professionalised sector. Of course, a high degree of professionalisation is required when organisations are working to deliver specialist services in complex circumstances, but there is a sense amongst some interviewees that there is an expectation in Northern Ireland that voluntary and community work will be led by organisations of paid staff. That professionalisation would have some negative impact on the work of the sector is questioned by some. These interviewees see it in a positive light, because it allows their organisation to provide services that are more complex and it provides greater institutional stability. For others, their professional status is a ‘contradiction in terms’, particularly when they are funded entirely by government and their work includes some sort of advocacy role. For these interviewees, their professionalised status is one that must be managed, using criticism of government in a ‘strategic’ or ‘pragmatic’ way, but in the knowledge that their scope for critique is limited by the power differentials in a funding relationship. Some critically reflective practitioners go further, seeing professionalization as a key instrument of government’s project of co-opting and incorporating the sector and neutralising the expression of alternative viewpoints. These interviewees point to how professionalisation drives funding dependency, and with this dependency comes the potential loss of funding, jobs and services if one doesn’t fully ascribe to government’s narrative or agenda. Others see professionalisation as a difficulty because it fundamentally reshapes the relationship between them and the service user into one that is potentially hierarchical and disempowering of the service user. This is a particularly important issue for the sector as they may be working with individuals who are already, as one interviewee describes it, “over social-worked”. While there is no doubt that professionalised advocacy paid for by government can deliver minor tweaks to government policy or implementation, it could be the case that over time this becomes the limit of the sector’s ambition, as Figure 11 below suggests.

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53 Pestoff, 2009
54 Benson, 2015
55 See for example, http://dpac.uk.net/leg/pip-disability-charities/
56 Benson, 2015
57 For instance, as part of the debate in England on the challenges faced by the VCSE sector, some have pointed to how the sector’s efforts to quantify its value in monetized terms may have exacerbated some of these challenges because monetarised concepts of social value do not lend themselves to a more critical reflection on the structural reasons why some individuals, families or communities may need the help and support of the sector more than others (see McCabe, 2012 for a discussion).
Emerging from the data is a clear sense that the insider tactics of professionalised advocacy are based on some shared, if unspoken, assumptions between government and sector interlocutors about the boundaries of ‘acceptable’ challenge. Government, as one interviewee explains, “holds all the cards” in the majority of instances, and therefore the scope for the sector to play a critiquing role is limited.

As experienced chief executives explain, there is just enough funding “sloshing” around the system to keep at bay a “sense of urgency” within certain sections of the sector. While all interviewees and survey respondents, at some level, recognise that the environment is changing and the relationship between government and the sector is being reformed, there are also deep structural barriers that are keeping government-sector relationships stuck in this period of chaotic de-coupling. There are identifiable processes that, in combination, act as a bulwark against the creation of an independent, diverse and effective sector with a refreshed relationship with government.

Figure 12.

4 BARRIERS TO EFFECTIVE REFORM

Top-down and technocratic rationalisation can seem a quick and ruthless process for an individual organisation that has “lost funding almost overnight”. However, interviewees point to how, at a systemic level, the rationalisation process is happening almost in slow motion.

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Figure 13.
Too much emphasis on ‘bottom up’ reform and unsophisticated cuts

There is an unrealistic expectation in government that mergers and collaboration will happen organically. [VCSE]

Government should determine the service and what the service is about and who is needed to deliver that, and well see the good organisations, fund them. See the bad ones, that aren’t doing their job, dump them. Lots of these organisations have mission drift and all. That will cut out a lot of this crap. No department is really prepared to evaluate everything and say no, you are not performing...what they do is a salami cut every time, so it is death by a thousand cuts. So you are penalising good organisations as well as the bad. [VCSE]

There are calls from government for the sector to engage in a bottom-up process of rationalisation whereby organisations will begin to merge, collaborate and work in more formalised partnerships. However, some sectoral interviewees explain that government has an unrealistic expectation that there will be an organically driven shift towards more mergers and collaboration. According to some sectoral interviewees and survey respondents, there is still too much protectionism of “personal fiefdoms” and “empires”, a lack of trust and too much competition between organisations, as well as an unwillingness to have “difficult conversations” about what the sector will look like in the future. For some interviewees, government is going to have to take ownership of this rationalisation and work in partnership with the sector to facilitate mergers and collaborations, otherwise government risks losing the structures around which some major strategies will be built. It is the view of some key informants that the preservation of the best aspects of an independent and innovative sector may require more hierarchical intervention and steering by government. As some government interviewees have acknowledged, at times government policies may inspire competition rather than collaboration, creating a challenging environment for organic and formal collaborations to take place. For some interviewees, in order to address these challenges, short-term transitioning resources will have to be shifted to smaller organisations, but this will have to be done in a sophisticated way, with resources only being made available to those organisations that can evidence a tangible impact, embeddedness within the community or a meaningful connection to a service-user group.

This research has also been able to capture examples of organisations in certain policy-fields and geographical areas taking ownership of impending changes. These organisations and areas had what many called the “savviness” to see that the privileged place that the sector has been given in the past was coming to an end, that the “funding boom” was over and that government’s approach to the sector was becoming increasingly instrumental. These organisations engaged in a process of bottom-up rationalisation, with organisations and the community coming together to reduce duplication and to pool skills and resources. These organisations became more business-like in their approach, looking beyond central government for funding and diversifying their income streams, and some rejected government funding that could make the organisation unsustainable in the long-term. These organisations have also used available resources to develop projects that are delivered by volunteers, thus demonstrating that they bring added-value to any funding relationship. They have now positioned themselves as sustainable organisations for the future, but we should be in no doubt that these changes have been driven by strong sectoral leaders at the organisational and local level (a leadership which some sectoral interviewees feel some organisations do not have). This sustainability has come at the cost of making difficult decisions, most notably in reducing the numbers of staff.

Subcontracting

Government could work with the sector to better formalise the relationship between smaller and larger organisations. [VCSE]

Regional organisations are shooting in and they do the bare minimum...they don’t have the people on the ground, they don’t know who the people are, so the first thing they do when they get the contract is ring us...and I don’t think they deliver on the ground. They will say that they are going to work with the community, pick your name out of hat and not even meet with us. So they can be saying they will be working in partnership with us but sure they haven’t even met with us. [VCSE]

As service contracts have been scaled up in ways that exclude many smaller and medium-sized organisations, it is common for smaller and locally based organisations to have a subcontracting relationship with a private sector or regional VCSE organisation. This has also slowed the reform and rationalisation processes. While subcontracting can create the impression of sectoral diversity, many organisations find these relationships extremely inflexible in their specified outcomes, and the relationship between contractor and sub-contractor is often based on a very limited definition of partnership. One of the key processes captured by this research is an ongoing distancing between larger and/or regional voluntary bodies and smaller and medium sized organisations. This distancing is driven by a sense that larger organisations are monopolising available resources. As one interviewee explains, after the financial crash “everybody got poorer but the [larger] voluntary sector got richer”.

This perception that the current environment favours larger organisations would seem to be grounded in reality. NICVA’s State of the Sector publications show that, over time, larger organisations are capturing a greater proportion of the available resources. In 2006-2007 organisations with an income of over £1 million received or earned just half of the income captured in NICVA’s research, but in 2013-2014 organisations with an income of over £1 million received or earned 66.8 % of resources.

58 See Milbourne (2009) for a discussion on the tensions between competition and collaboration
59 There are some caveats about the comparability of figures from SOS over time given changes in methods and data availability. There are also other methodological issues that are detailed in the interim report.
60 The last year for which data is available
61 http://www.nicva.org/stateofthesector
Mission Drift and Organisational Survival

There is a sense of entitlement out there in many organisations and that is now playing out as a sense of injustice. [VCSE]

Organisations have found themselves in difficulties as they try to fit round pegs in square holes. [Government official]

I have said to staff in here, my advice is to look for another job, because I have known that the only way to keep them on is by doing things that go against why we exist... I think, perhaps, a number of organisations have forgotten that the reason you exist is your voice, purpose and action. [VCSE]

The sector are very stuck in the structures that were there twenty-five years ago... but if you look at other parts of the world, or industry or whatever, it has all changed, it has changed to reflect the changes in society but those voluntary and community organisations haven’t changed... did people think because they signed a bit of paper in 1998 that that would be it? [Government Official]

Northern Ireland, just like the wider UK, has been moving away from both the language and practices of New Labour’s ‘partnership governance’ and funding models into a new phase of government-sector relationships. Some organisations support and see a value in the rationalisation and decoupling process. They believe it will refresh the independence of voice, purpose and action of sector organisations and re-channel resources to those most in need. It is clear in the interview data that some participants feel that many organisations have yet to embrace the realities of this changing relationship. Some sectoral interviewees suggest that a culture of dependency has, over decades, morphed into a ‘culture of entitlement’, with a sense of privilege now masquerading as a sense of injustice in some organisations. As noted above, interviewees point to a tendency within some sector organisations to see their particular field of work or their existence as an organisation as a priority, and these interviewees explain that this can impact on sensible decision-making about the distribution of scarce resources. In the quest for organisational survival, according to a number of funders, organisations have found themselves in difficulties as they try to align their mission and structures with government funding streams.

Some organisations have, as one interviewee suggests, “taken their hit” by rationalising, reducing duplication and looking beyond central government for funding. Some of the interviewees from those organisations that have taken ownership of the rationalisation and reform processes have a strong critique of organisations that, in their view, have failed to consider if they are necessarily the best placed to deliver a service. Some go further, suggesting that the times of a “bloated” funded sector and a “community development organisation on every corner” should come to an end so that resources can be targeted at those most in need. Some interviewees suggest that funders have slowly become more “savvy” and are less willing to fund organisations that cannot evidence impact or display a real and historical connection with a service-user group. If this is the case, constantly shifting the organisation’s mission to simply sustain the existence of an organisation may no longer be an option, particularly in an environment of rationalisation and a reduction in the resources being made available to the sector. Some government officials, as well as some sectoral interviewees, suggest that certain sections of the sector are trying to operate in a system that is no longer there. Key to understanding the changes and processes currently underway is a recognition that government is almost always the dominant power in a funding relationship, but it is the view of many sectoral interviewees that many organisations have been slow to take any ownership of impending changes.

In response to the perceived monopolisation of funding by larger organisations and because of government’s rationalisation processes, many organisations fear they are becoming “bid candy”. These organisations add to the bids of the corporate service delivery sector or private sector but become very much the junior partners in the process. Some interviewees feel that, as government tries to create economies of scale in service provision, larger agencies will try to harvest their knowledge, skills and networks to prove to funders that they have the ability to reach a target group. For many interviewees, this has been driven by government’s need for efficiency savings within more tightly constrained budgets, but as in the UK more generally, it is also clearly driven by government’s aspiration to simplify its relationship with the sector.

Interviewees from larger organisations also explain that they haven’t necessarily felt the financial pressures being experienced by others in the sector. However, representatives from these larger organisations express a concern about a loss of diversity in the sector (how much of this commitment to diversity is in alignment with their practices is a debate for the future for the sector). Some of those most able to compete, should there be a “marketization of everything”, are as critical of government’s efforts to open up more services to contracting and markets as those that would find it difficult to compete in such a system. Many point out that they value the work of smaller organisations, they recognise the need for grant funding of smaller organisations and they are clear that they often require the expertise, knowledge and localism of smaller organisations embedded within communities to deliver services. These larger organisations point to how government could better formalise relationships and partnerships between smaller and larger organisations in their procurement processes and thus maintain those organisations that “make up the fabric” of Northern Irish society.

Interviewees from some larger organisations also suggest that government officials must be more sophisticated in how they develop future relationships with different types and sizes of organisation. For a number of interviewees, the current model for rationalising the sector threatens the existence of the structures upon which government will deliver its outcomes because the cuts in funding are not being implemented, in their view, in a “sophisticated way”. In response to the perceived monopolisation of funding by larger organisations and because of government’s rationalisation processes, many organisations fear they are becoming “bid candy”. These organisations add to the bids of the corporate service delivery sector or private sector but become very much the junior partners in the process. Some interviewees feel that, as government tries to create economies of scale in service provision, larger agencies will try to harvest their knowledge, skills and networks to prove to funders that they have the ability to reach a target group. For many interviewees, this has been driven by government’s need for efficiency savings within more tightly constrained budgets, but as in the UK more generally, it is also clearly driven by government’s aspiration to simplify its relationship with the sector.

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A major concern of many interviewees is the overly close relationship between politicians and some voluntary and community sector organisations. Though the lobbying of a local representative could be characterised as a norm of local politics, there is a concern that local lobbying could be disrupting long-term goal setting and causing duplication of service delivery, particularly when it is driven by organisational protectionism and a party-political desire to derive short-term political advantage.

Quite a lot of organisations would be saying to MLAs, you know, we need your money to survive ... at the minute you have a stream of people running up the hill [Stormont] to talk to ministers about ‘my wee bit’ ... but there is no joint representation.

[Government official]

The way I see it going is you will have your big organisations delivering services and a small number of politically well-connected community organisations.

[VCSE]

It’s about that same benign apartheid thing, we aren’t talking about shared future, we are talking about shared out future...that’s a reality.

[VCSE]

Though localised lobbying could be seen as an acceptable (or even desirable) part of local politics, some interviewees point to what they see as a damaging colonisation of the sector by party-political interests. Recent media coverage that suggests that funding mechanisms have been used to channel funding to favoured groups has brought to the fore some long-standing concerns of those involved in the voluntary and community sector. Though for some interviewees the funding system has become so transparent and driven by cost that “the bad old days” of political manipulation are over, for others, the funding system for the sector was ripe for a political carve-up. For many in the sector, the systems can be manipulated for political purposes, creating closed networks of favoured interests that benefit from the distribution of resources. Some interviewees explain that, in their view, the political elite transfer resources into communities as a crude mechanism for buying votes and influence, or to keep “certain individuals busy” that may be a threat to local political stability. For some interviewees, in such a system, objective need and the potential impact on communities is not at the top of the list of decision-making processes for some politicians. Even some of those who believe that the funding systems have become more transparent in recent years still point to the existence of ‘pet projects’.

The view that we have moved beyond “the bad old days” would be met with scepticism in some parts of the sector. The Social Investment Fund is criticised as interviewees identify a kind of ‘network-closure’, with some favoured organisations being hand-picked by politicians to plan and implement some of the fund’s work. Even if the perceptions of favouritism and patronage do not reflect the actual reality of the decision-making process, there has been a failing in the levels of transparency, and certainly the dominant narrative of ‘trust based relationships’ between government and the sector has become meaningless rhetoric for some. In addition, due to funding dependency, some organisations have lost the ability to challenge government’s distribution of resources, even when they believe that the distribution of resources is politically driven. Finally, some interviewees point to how some sector groups will now openly display their close relationship with a political party, suggesting that the rhetorical commitment to being ‘apolitical’ may be waning amongst some sections of the sector.
Policy language and political rhetoric lag behind the realities

Another reason why the changing dynamics of the relationship between the state and the sector appear to be happening at a slowed rate is that the policy rhetoric hasn’t always caught up with the realities.

A review of the policy literature would quickly show that the sector, including those that grew out of organic voluntary action, had been bombarded from at least the mid-90s by unprecedented levels of rhetoric that celebrated the role of voluntarism, the sector and civil society in the life of Northern Ireland. At a discursive level, civil society in Northern Ireland had often been conflated with the voluntary and community sector, and civil society, particularly after the peace process, had become a synonym for the ‘good society’.62 63

This kind of rhetoric was built on an assumption that there is value in the existence of a voluntary and community organisation, irrespective of a measurable contribution to society. The sense of importance this rhetoric instilled in the sector will take time to dissipate.

For decades, both ‘helicopter rule’ administrations and devolved administrations have publicly recognized the supposedly distinctive expertise and value of the sector, and government had committed itself to including those with local knowledge in decision-making and implementation as part of a process of democratic renewal. Recent consultations continue to draw on rhetoric that exaggerates the sector’s independence and influence by describing how the sector “brings a valued perspective and wealth of expertise and experience to public policy making and delivery.” This rhetoric is overblown because it ignores the processes of coercive managerialism captured in this research, it ignores how ‘consensus’ positions or ‘co-design’ projects are often predetermined and it overlooks how ‘participatory networks’ tend to look very much like the hierarchies they are supposed to replace.63

This rhetoric is in competition with and obfuscates a new policy language that positions the sector much more as an agent of the state or as a separate sphere of activity from the state.

5 CONCLUSION

This research process has captured a moment when the government-sector relationship is undergoing a fundamental readjustment. This has made it both a highly opportune and challenging time to conduct such research. The environment in which organisations exist is undergoing rapid change and organisations are struggling for survival as resources become more limited. The expectations placed on organisations are also rapidly changing, but these expectations are not yet fully formed or clearly articulated through a shared government narrative.

The research findings also point to a complex web of relationships within and between the government and the sector, and therefore no single narrative can capture the diversity of experiences and understandings in the sector and in government. Therefore, the purpose of this research has been to focus in on particular aspects of government-sector relationships, and capture competing narratives about what government-sector relationships could – and should – look like.

In discussing the nature of these relationships, the concept of independence is central, even if there are few shared understandings of what independence would mean in practice. For some interviewees independence from government represented a core value. For others, shared organisational and governmental aims, and a co-dependency between government and the organisation, creates the circumstances whereby independence from government is less of a pressing concern. For some in the sector, independence is a relative idea in that it is highly contingent and context-specific, with the organisation’s independence being in a process of constant negotiation. For these reasons, the report has taken an approach that investigates the concept of independence through the lens of relationships, rather than trying to elucidate the particular characteristics of independence around voice, purpose and action. This led us to an alternative framing around the roles of agent, competitor, mimic and reticent, highlighting the relational nature of independence. What is clear is that individual organisational actions within a web of relationships, when looked at in the aggregate, are changing the relationships within the sector and between government and the sector.

With a new message being communicated to the sector by government, with a changing environment for voluntary and community action and a changing relationship between the government and the sector, it may be time for the sector to reflect on the different models and traditions that have guided voluntary and community action over the decades. This research has captured what are incipient discussions about the future nature of voluntary and community action. What the future relationship between the sector and government will look like is far from decided, and both government and the sector can construct a new narrative that is reflective of the new political and economic realities.

62 Coakley and O’Dowd, 2007: 21
63 Civil society encompasses a wide range of organisations that includes community groups, faith-based organisations, professional associations, trades unions, self-help groups, social movements and business associations. In Northern Ireland, voluntary and community groups have tended to have a privileged role in narratives of civil society.
64 Davies, 2011


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