

**“Putting narrow-mindedness out of countenance”:  
The UK voluntary sector in the new millennium**

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## **Abstract**

The past environment for voluntary action conceived of voluntary organisations as acting as an “extension ladder” for the state. But the changes now taking place in the state’s role has fundamentally changed the context. The paper explores various alternative responses, including greater reliance on the market and making a new relationship with the state through formal compacts, before exploring some possible alternative futures for the sector. Themes of particular significance for those futures include the financial and economic climate, efficiency in service delivery, legitimacy and the decentralisation of the state’s functions. The paper concludes by placing these developments in the context of a wider debate currently taking place about the future of civil society.

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## **“Putting narrow-mindedness out of countenance”: The UK voluntary sector in the new millennium**

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### **Context**

The last decade has been one of rapid change in the role of the third sector in the UK, a period “bookended” by attempts from within the sector to assess the situation in which it now finds itself (Taylor, 1990; and Independent Commissions, 1996 and 1997).

Essentially, the issue, as these successive inquiries have defined it, is one of finding a means of coping with the new pattern of relationships – both with the state and the market – that have developed over the past decade, without compromising in the process those characteristics that define the distinctive identity of the third sector itself.

But what are these characteristics? The sector (and those who are involved with it) carries a substantial quantity of cultural baggage – some of it inherited from earlier periods, when the third sector discharged many of those functions in civil society which it is now beginning to reclaim. Edwardian debates on the future of social policy are full of resonance for current arguments about the respective roles of state, market and voluntary organisations (Lewis, 1995). In the course of that debate, the Webbs – now best remembered as the proponents of the paramount virtues of state action – once defined the role of voluntary organisations as being to act as an “extension ladder” for the state. That concept still precisely fits the attitude of many politicians and civil servants towards the sector. Similarly, some of the concerns then expressed by many protagonists on the voluntary sector side about compromising the integrity and independence of philanthropic organisations (McBriar, 1987) have clear echoes in current debates.

The historical parallels are seductive – and often instructive, too: but pushed to extremes, as they have been recently by some neo-liberal commentators (Whelan, 1999), they are misleading. For both the material context and operating style that characterise voluntary action and the values which animate it have been drastically modified over the course of the twentieth century. To take only one obvious example, the brisk wind that blew through the UK voluntary sector in the late 1960s – a heady

compound of community activism, second wave feminism and environmental campaigning – helped focus attention on a different series of objectives: securing citizen participation, establishing proper representation of excluded minorities and promoting user control. To use Beveridge’s distinction, the emphasis in the agenda of this “new voluntary sector” represents a shift from philanthropy to mutual aid (Beveridge, 1948). Yet, previous philanthropic concerns – the traditions of charitable donation and the provision of services for the unfortunate – have continued almost unabated, if less prominently displayed. Much of the diversity of the UK third sector, remarked upon by all commentators, is due to the co-existence of these successive layers of different practice and values.

However, in certain crucial respects the environment for voluntary action has altered in ways that fundamentally change the character of the task that it is now called upon to perform. As a result, any analysis that focuses solely on the attitudes and activities in the third sector itself is certain to be incomplete. The changes that have taken place in civil society as a whole and the role of the principal actors within it have helped to define expectations of the third sector and demarcate the space within which it can operate. These changes, which have been occurring at a bewildering pace, have not been confined to those countries in which there has been changes of regime, though these are among the most dramatic examples. They also extend to countries like the UK, which are habitually thought of as paradigm cases of stability, with an unchanging set of traditional values.

One of the many virtues of the debate on the futures of civil society that is now taking place (Putnam, 1993; Hirst, 1994; and Etzioni, 1995) is that it requires us to situate the developments that are occurring in the third sector in the context of these broader social and institutional changes. Adopting this perspective also enables us to focus on issues that transcend national boundaries, since many of the issues that are now affecting third sector organisations reflect shifts that are taking place across the whole developed world.

## **Leviathan becomes chameleon**

One obvious example of these developments is the change in the role of the state. It has become a truism universally acknowledged that the days of state intervention to address all the major ills of society are numbered. Daniel Bell’s famous dictum that the nation-state “is becoming too small for the big problems of life and too big for the small problems of life” (quoted in Wilding, 1997) has been echoed both on the left and right. It is almost as if the expectation is now that the state, convinced that its

historical mission has been discharged, will voluntarily step aside rather than wait to wither away, as classic Marxist dogma once predicted.

In fact, this is a misperception. What has occurred, at least in 'Western' countries, is not a withering away but a restructuring. The valuable series of studies conducted by the Organisation for Economic Cooperation and Development (OECD) for their Public Management (PUMA) programme (1995) confirms that this is the case in almost all their member countries. The 'enabling' function now defined as the key role for the local and central state requires not a withdrawal but a readjustment both in the nature of and the manner in which they are performed (Rhodes, 1997). One key example of this change is in the area of regulation. The "New Regulatory State" that has developed to meet the perceived need to exercise control over the expenditure of public money is not, as Christopher Hood has demonstrated (1999), a weaker or a smaller state, but a very different kind of state. The impact of this kind of change has been keenly felt by organisations operating in the space left by the state's withdrawal from front line functions in service delivery.

It is also a state that is less monolithic and more varied in the manner in which it carries out its functions, some of which are now modelled explicitly on practice in other sectors. Leviathan is no longer a single beast, as Hobbes proposed, but a shoal of smaller creatures – many of them with sharp teeth.

This casts a new light on the question of competence. A standard argument for the transfer of functions from state to market or third sector organisations is that bureaucratic inflexibility is endemic to public sector bodies and cripples their capacity to deliver services effectively and responsively. Much of the momentum behind the adoption of privatisation as a theory of governance is based on this crude perception. It is true that there is another view – that the state has forfeited its right to play a central role on moral grounds (Duncan and Hobson, 1995) – but whatever force this may have in former communist societies (where privatisation has also served a quite different function as an easy source of profit for those politically best placed to benefit from it), it is not convincing as an analysis of developed democracies – where a public service tradition in some form still survives.

If government is becoming more efficient – and although the picture will vary from one country to another, the general pattern emerging from the OECD studies suggests that it is – that implies that at least one of the arguments for third sector substitution is losing some of its force. In any event, the state

to which the third sector has to relate is certain to be one whose relationships with other players will be of a different character – and in many respects far more demanding of those with whom it engages. This is likely to be as true at the local level, where issues around service delivery present themselves in a particularly acute form, as it is at national level. The transformation which local government has undergone in the UK is in some respects even more fundamental than that of the civil service nationally. This, in turn, has fundamentally changed the nature of relations between local authorities and local voluntary and community organisations as typified by the evolving “contract culture” (Smith and Lipsky, 1993; Lewis, 1995; Walsh, 1995; and 6 and Kendall, 1997).

### **Should welfare go to market?**

The other potential partner with which the third sector has to deal is the business sector. Attitudes towards business and its role have ridden a switchback over the past decade, at least in the UK. The brash certainties of the 1980s, when business values and businessmen (note gender) were called in to address each and every one of society’s problems have now faded. This is partly the result of harsh experience. The collapse of credibility of the Conservative Government stemmed in part from the disillusionment brought about by the recession at the end of the decade and the part played in it by the market-friendly policies of successive Conservative Chancellors (Lawson, 1992). The third sector was among those who suffered the consequences of these market failures, in terms both of its own access to resources and the need to provide an ambulance wagon for the victims (those experiencing loss of jobs and homes).

When George Soros, the principal beneficiary of the British Government’s ignominious expulsion in 1992 from the European Exchange Rate Mechanism (ERM), expresses doubts about the role of the market, a value shift may not be far behind. As Soros himself put it recently:

As the market mechanism has extended its sway, the fiction that people act on the basis of a given set of non-market values has become progressively more difficult to maintain...Unsure of what they stand for, people increasingly rely on money as the criterion of value. What used to be a medium of exchange has usurped the place of fundamental values, reversing the relationship postulated by economic theory. The cult of success has replaced a belied in print pies. Society has lost its anchor (Soros, 1997, p. 15).

In a practical sense the perceived limitations of the market (and of some key business figures) has inflicted some damage on the notion of market mechanisms as the means of choice for the delivery of

services, just as experience of recession has compromised the ‘trickledown’ theory of charitable giving as a rent on entrepreneurial success.

Nevertheless, business concepts, like competition, price, contract and customer relations, have permeated the debate about the future of voluntary action. In so doing, they have lost any specific political associations and become generally accepted as legitimate criteria to apply in devising the governance and assessing the performance of third sector organisations (Handy, 1988).

If the experience of the past decade signals caution about a dominant role for the market domestically, there is still a major issue about the consequences of the rapidly developing role of global financial markets for developments at the national level and below. It is now frequently asserted that globalisation is likely to undermine any attempt to devise new policies and plan for new relationships within individual countries. The scope for new initiatives, it is argued, will be determined by factors outside the control of nation-states and their politicians – what amounts to a theory of geo-economics.

However, it is far from clear that this is actually the case, either in practical economic terms (Hirst, 1996) or in relation to the domestic policies of nation-states. Rather, most of the factors structuring relations in civil society are likely to continue to be determined by the historical, socio-cultural and political dynamic of the experience of individual societies. Nevertheless, it can be predicted that the sharpness of distinctions between them will be softened over time by common experience of structural change, regional factors (as in the case of the European Union) and ideological shifts, some of which are common to age groups across national boundaries (for example, ecological protest and the trans-European campaign successfully orchestrated by Greenpeace against Shell in the Brent Spar case).

Yet even if the influence of global developments in the financial markets may have been exaggerated, the fact that they are widely credited with possessing a determining role may still be a significant factor. Paul Wilding has referred to a “Dutch Auction” in cuts in welfare expenditure among developed countries triggered off by a perception of punitive interventions in the case of countries not conforming to the market’s stereotype of efficient management.

Nevertheless, a detailed analysis in *The Economist* (1997) confirms with regret – given that organ’s deep-seated prejudices on the subject – the view that the nation-state is not immediately likely to meet its demise in the face of “the triumph of international capitalism”.



It follows, then, that the nation-state remains an essential feature of the landscape in which the third sector has to operate. At the same time, the impact of the process of transition through which the state is passing will continue to throw up fresh challenges – and provide new opportunities – for the third sector.

## **The UK case**

The increased significance and higher profile of the third sector in the social and political economy of the UK has been ably charted by others (Kendall and Knapp, 1996), so only a brief sketch is necessary here.

The rapid extension of activity in the sector has taken a variety of different forms: steady increases in the range of services provided; expansion in campaigning activity; significant levels of community action; higher profile for charities in national debates; and continued substantial rates of participation in volunteering and informal caring. Triumphalist accounts of the state of the sector stress the richness and variety of this range of activity and point to the substantial contributions now being made to the economy and to the stock of social capital.

Pessimists prefer to underline the overstretched nature of much voluntary provision as a result of this expansion of activity, with strong pressure on both human and financial resources and to the threat that this expansion poses to the values of the sector and its independence.

Following Lester Salamon's account of the situation in the United States (1999), we can find in the UK symptoms of all the major "crises" to which he refers:

- Fiscal and economic stresses;
- Issues around efficiency and accountability; and
- A (potential) crisis of legitimacy.

Much of the response to the challenges posed by these developments have been shaped by changes in other sectors of civil society referred to in the first part of this paper. In particular, one of the most important of these, the rapid transformation of the public sector, has provided a new context for the operation of voluntary and community bodies at both the national and local level. The appearance of an intermediate tier of state agencies, as a result of the restructuring of the civil service through the so-called "Next Steps" programme and the reform of local Government – the move towards the so-called

“enabling authority” – are perhaps the most important examples. The Nolan Committee’s inquiries into standards in public life is another, which is likely to become more significant as the activities of this Committee extend into areas where the voluntary sector now functions.

To help address these and other issues, the leading voluntary sector organising bodies (“intermediaries”) decided in 1995 to set up separate Commissions of inquiry into the future of the voluntary sectors in England and Scotland. The decision to establish distinct operations is one reflection of an increasingly important factor – the enhanced emphasis on their separate national identity by the individual nations of the United Kingdom (I return to this point later in the paper).

Both Commissions were explicitly independent, both of government and their sponsoring bodies, and had chairs drawn from outside the voluntary sector – the academic world in one case, journalism in the other. They had virtually identical briefs: in effect, to set an agenda for the voluntary sector for the new millennium.

The English Commission reported in July 1996 (“Meeting the Challenge of Change”) and the Scottish Commission nine months later, in March 1997 (“Head and Heart”). Alongside these inquiries the Labour Party, then still in opposition, also carried out its own study of the potential for a changed relationship between government and the voluntary sector in the UK as a whole under the direction of Alun Michael, MP. This was also published in March 1997, two months before the General Election (“Building the Future Together”).

The analysis offered in the three documents is very similar. They all see the activities of voluntary and community bodies as being characterised by great variety – wide range of industries, types of organisation, legal forms, and size and sites of operation. Much of the increased activity that has resulted needs no specific encouragement from the state to support it – merely an emphasis on a minimum number of obstacles to growth and freedom of action. But across the sector(s) as a whole, there are three areas that pose problems:

- Availability of resources;
- Appropriateness of legal and fiscal regimes; and
- Potential conflicts of values.

This, in turn, implies addressing the nature of the relationship with the state and the business sector, the potential for reform of the fiscal and legal environment in which the sector operates, and issues around

its governance. All these issues were tackled in the recommendations made by the two independent Commissions, with the important distinction that the existence of a different legal system in Scotland led to different recommendations for reform in the legal and regulatory framework there.

The character of the response of the Government to these recommendations was largely conditioned by the stage of the electoral cycle reached at the time of their publication. The English Commission, whose report was the subject of full-dress debates in both houses of Parliament, was (in effect) praised with faint damns in a formal response published in November 1996 by the Secretary of State for National Heritage, who was then responsible for the sector, snappily titled “Raising the Voltage” and illustrated with photographs of the Minister releasing balloons (Department of National Heritage, 1996). The Scottish Office’s response to the Scottish Commission, rather more soberly presented and simply titled “The Government’s response” was published after the Labour victory, on the eve of the triumphant outcome of the Scottish referendum which led to the revival of the Scottish Parliament, which has been in abeyance since the Act of Union of 1707.

This more positive response clearly reflects the line laid down in opposition by the Labour Party in “Building the Future Together” and cantering on the concept of “partnership”. As the preamble to that document puts it:

In rejecting the old arid split between “public” and “private” Labour has recognised the richness and diversity of independent organisations and their potential. The need to balance support for voluntary organisations with respect for their independence has been recognised throughout our consultations and must be at the heart of any “new settlement”.

The form that this settlement was to take was expressed as a “Compact” (a proposal originally floated in the English Commission report). This would consist of a “statement of the broad principles that will underpin the way every department and agency of government will work with voluntary organisations” (Labour Party, 1997, p. 3).

“Partnership” is, of course, a highly ambiguous term with important implications for the future of the sector. There are critics (Robert Whelan, for example) who dislike the whole notion and argue that the independence of the sector is threatened by any relationship with the state that has financial implications. He wants to see the sector revert to its (largely religious) roots and reassert its historical role as an independent force (1996). From the opposite end of the spectrum, coalitions of community groups which see the state, both local and central, not as an ally but as an opponent to be challenged,

have demonstrated marked unwillingness to be absorbed into the wider “voluntary sector” in a partnership with their recent enemies. This criticism has much in common with those advanced by an earlier commentator, Barry Knight, in the Centris report on the future of the sector. He would have split the sector into an “authentic” smaller scale community-based entity and a larger formal, even bureaucratic service delivering sector, with the concessions attached to charitable status being confined to the first group (Knight, 1994).

Similar views have been expressed by those concerned about the implications for the sector’s values. The parallel often drawn is with third sector provision of housing through housing associations, now largely funded by the state and (critics would argue) little more than its passive agent – extensions of the statutory sector, with little independent identity or discretion over policy. John Crawley (chief executive of a large association) has referred to partnership as a “conveniently warm, whimsical and imprecise term like its close cousin ‘community’, covering a multitude of sins” and criticised the adoption of formal contracting and competitive tendering as the preferred basis for relations between partners. He points to asymmetries of power and information between them as additional distorting factors (Crawley, 1997). Behind these criticisms lie familiar fears about the integrity of the role and objectives of organisations as they adopt new methods of working to cope with the new environment in which they are now functioning – what sociologists now refer to as “isomorphism” (DiMaggio and Powell, 1991).

## **Where next? Addressing the challenges**

Whatever else may be said of the reports of the two Commissions (and a rich variety of views have been expressed – for example, Craig, 1997; 6 and Leat, 1997; Lewis, 1999; and Kendall, 2000), they manifestly met one of the objectives for which they were established – to crystallise debate and expose key issues. In England, the National Council for Voluntary Organisations (NCVO) took responsibility for follow-up action on the report of the Commission.

The most significant of these has been the process of setting in place the Compact between the Government as a whole and the voluntary sector in England. This was finally agreed and signed in November 1998 by the Home Secretary for the Government and Sir Kenneth Stowe (who had led the consultations on the voluntary sector side) for the English voluntary and community sector. The document follows the broad lines laid down in earlier reports; but it contains the important additional element of systematic review by means of an annual report to Parliament (Home Office, 1998). The

English Compact has been followed by an equivalent Scottish document and now by a sequence of local Compacts between local authorities and the local voluntary and community sector. The value of the exercise has lain so far as much in the process under which the Compacts have been negotiated, at the national and local level, as in the actual content of the documents that have emerged. They have yet to be submitted to the test of an open challenge by either party to the agreement. However, as Ian Hargreaves has commented, the process offers encouragement to the aspirations of the voluntary sector:

The hoped for destination, from the Third Sector's point of view, is that it emerges as a partner of truly equal significance to the public sector and business, rather than as a partner of last resort (1999).

When the Prime Minister addressed the NCVO's annual conference in January 1999, it was in the Compact that he placed particular emphasis; but he added a number of specific references to government policy since coming to power, as it has affected the voluntary sector. For example:

- The New Deal for Communities programme and its explicit emphasis on "putting the community in the driving seat";
- New government programmes to encourage volunteering, now explicitly branded as "Millennium Volunteers";
- The creation of a new technological infrastructure to facilitate community action, using advanced information technology; and
- A shake-up in the organisational arrangements, located in the Home Office once more, but designed to provide more efficient co-ordination of government policy towards the voluntary sector.

All these programmes and other wider developments under Labour – for example, the new stress on addressing social exclusion – have had important resonance for the voluntary sector. More broadly, the change of approach towards an explicit partnership model and the involvement of many senior figures in the voluntary sector with task forces preparing new policy initiatives has led to a marked change in the climate of the relationship between the statutory and voluntary sector in the UK. Nevertheless, a number of key issues still remain unresolved in part by returning to the wider debate now taking place about the future of the sector stems from a variety of sources. Some of key issues can be captured under Salamon's main headings.

### **Fiscal and economic crisis**

The level of support that can be expected from government in future will turn partly on the character of the relationship that emerges at both the central and local levels. The Labour government has already secured close voluntary sector involvement in new programmes in the

employment field (Welfare to Work); but the extent to which closer involvement will earn more substantial support is still problematic – recent indications are that the most significant impact will be at the local level. The question of support from business is one of the issues under review by a “post-Deakin” task force. Here, much depends on whether a new relationship can be forged which matches the needs of both parties more closely than some past programmes have done.

The major new source of financial resources for the sector is the National Lottery, first launched in 1995 and phenomenally successful in its first years of operation. Grants to the voluntary and community sector as one of the “good causes” which the Lottery is intended to benefit are administered by the National Lottery Charities Board (NLCB), which has acquired a good reputation for a balanced approach to the needs of the sector without entirely shaking off the stigma of being a grouping of the great and good practising old-fashioned philanthropy. The future of the Lottery as a whole is under active consideration by the Government and the likelihood is that responsibility for running it will be transferred to a non-profit making body, instead of the current commercial operator. Whatever the outcome, the issue of the use of lottery funds as a substitute for mainstream government expenditure is one that will require especially close attention.

### **Efficiency and accountability**

One of the key recommendations of the English Commission’s report was for an urgent review of standards in governance, with a view to promoting codes of good practice for voluntary sector bodies. This work has now taken place and a report with recommendations has been published by the Joseph Rowntree Trust (Ashby, 1997). Its work has exposed a wider debate around the question of professionalism and professional values and the extent to which the introduction of techniques of modern management may compromise the original mission of voluntary bodies by substituting alternative goals and a different locus of accountability. That debate continues.

### **Legitimacy**

Diana Leat has a telling image of the way in which the voluntary sector has been regarded in the past by its potential partners – as a fractious adolescent trusted only with strictly defined limits and liable to indulge in bursts of unpredictable and emotional behaviour. In the past, the regulatory framework has sometimes seemed to be modelled on this view of the sector’s capacities and maturity.

The regulation of the sector in England and Wales is largely the responsibility of the Charity Commission, which, under the present Chief Commissioner, has played a very active role in the debate

on the sector's future. Strictly speaking, the Commission's jurisdiction only extends to the 180,000 registered charities, but the Commission has attempted to discharge a broader function, by combining the role of regulator with advice on management for the sector as a whole. One important development has been the relaxation of the previously rigid terms of the Commission's guidance on engaging in campaigning activity and another that of the status of organisations engaged in urban regeneration. At the end of his term of office, the Chief Charity Commissioner embarked on a systematic review of the Register of Charities with a view to "shaking out" some of the worst remaining anomalies.

Behind this development of a more active role for the Charity Commission lies a more fundamental question: How far is the concept of charity in the form in which it has evolved (through lengthy processes of scrutiny of individual cases in English common law) still appropriate to modern circumstances? In addition, should the benefits (tax concessions) and obligations – the duties of charity trustees – attaching to that status continue in their present form? Both Commissions recommended the substitution of a simplified form of test for charitable status – essentially, one of demonstrable public benefit a new legal personality for charities, and clearer understanding of the requirements attaching to trustee status. However, these proposals await the outcome of further inquiries now being pursued by the NCVO.

In the interval, the concern Lester Salamon expresses about the incongruity of "large-scale charitable enterprises which are headed by well-paid professionals and provide assistance to far more than those in greatest financial need" (Salamon, 1999) also continue to be an issue in Britain. Symptomatic of some of the anomalies in the current situation was the discovery that Eton College, which as an educational establishment has the status of an exempt charity. The requirement, as a result of recent legislation to submit accounts to the Charity Commission, reveals capital assets that place it among the six hundred largest companies in the UK, just below the Body Shop and Hertz UK.

## **Some themes for the new millennium**

By way of conclusion, it might be of interest to offer a number of speculations about the themes that are likely to become especially relevant in the next decade. I have four to suggest:

## **Privatisation under pressure**

It has been a noticeable feature of the reviews of developments in central and eastern Europe in the decade since the fall of the Berlin wall in 1989 that enthusiasm for the market model has been distinctly muted. Much of the pain of transition has been put down to an over-enthusiastic reaching out for Western approaches without a full understanding of the implications of a competitive open market, especially for those with limited resources of money and skills (the third sector's traditional clientele). A particular focus of criticism has been the process of privatisation and what is perceived as the undue emphasis on profits for business made as a direct result of privatisation as against services for consumers.

This critique is part of a more general process of sorting the wheat from the chaff, as John Benington has argued:

It is noticeable that the Thatcherite model for marketising public services is now being discredited even in terms of commercial business practice... Increasingly, modern firms are basing their contracts on close, non-competitive, long-term relationships with their suppliers, where the aim is to develop a joint commitment to a common vision and a shared commitment to quality (1997, p. 151).

This, in turn, opens up the interesting possibility that business may have some lessons to learn from third sector practice rather than the other way about.

## **Social democracy without the state?**

Although the notion that straightforward imitation of business practice is the way forward for the third sector has now lost some of its force, there is still a substantial legacy from the 1980s in terms of the stress on the virtues of individual enterprise, which has been taken up by parties of the centre-left and translates readily into third sector terms. The recent electoral successes of these parties suggests that we may be moving towards a looser and less centralised state which concentrates on facilitating rather than direct delivery of services and an increasing substitution of networks for formalised institutional links: what is sometimes termed a "stakeholder society". All of these are themes which may have substantial implications for future practice. It has found a particular outlet in the vogue for "social entrepreneurs", who will innovate by manoeuvring imaginatively in the space between the state and the market (Leadbeater, 1997).



## **Towards a federal UK?**

More specifically, the future shape of the state is now certain to change substantially in the UK as a result of the Labour Government's commitment to constitutional reform, which has led to the revival of the Scottish parliament in Edinburgh and the creation of a Welsh assembly in Cardiff. This development has opened up some important opportunities; there are already signs that a more flexible approach is emerging in the relationship between statutory and voluntary bodies in the new devolved system. An open culture of mutual exchange and learning could provide many benefits.

The other context on which federalism may be a major factor is that of Europe. Although the promised full dress White Paper on the future of voluntary associations has not yet been forthcoming, the European Union's Communication on "promoting the role of voluntary organisations and foundations in Europe", published in June 1997, could open up substantial opportunities for cross-national work, although progress has been halting to date (Kendall and Anheier, 1999).

## **New developments in civil society?**

More recently, there has been growing interest in the concept of civil society and the extent to which it provides a balancing third force between the state and the market and a guarantee of the continued vitality of democratic institutions (Putnam, 1993). Much of the current interest in the creation of intermediate institutions in developing and transition countries is based on this view of the significance of a healthy civil society and the importance of sustaining it through providing the right legal and institutional framework. Some of the current thinking on the future of civil society and the role of third sector bodies within it has been criticised as being little more than 'soft authoritarianism' in another guise (Phillips, 1997). Certainly, the notion that third sector organisations can be called in to redress the failures of state and market (by the exercise of "tough love") rests on a hopelessly impoverished view of their capacities and objectives. As Benington argues:

I am under no illusion that civil society is an unproblematic concept or a utopian life-space. Voluntary and community sectors and informal networks are as riven with contradictions and conflicts as are the state and the market. Civil society contains within it a capacity for scapegoating, racism and violence just as it also contains within it a potential for co-operation, care and communal solidarity (1997, p. 151).

However, it is the diversity and unpredictability of the third sector that Benington portrays in extreme terms, which is also one of its main strengths. This is what Ralf Dahrendorf likes to call its "creative chaos". To seek to define the role of the sector in purely reactive terms and limit the space in which it must operate, the

tasks it should perform and the style in which it can do so is to deny the sector's nature. So is the attempt by some New Right critics to define third sector activities as "non-political" and thereby exclude them from active involvement in the democratic process. This applies especially to the "pressure groups" that these critics see as the "typhoid Marys" of their model of democracy (Green, 1993).

A broader approach necessarily involves taking risks. As Benington suggests, virtue is not always on the side of the little platoons or villain the property of large battalions. But if the third sector is to continue to be the yeast ion of our cultures, it must have freedom to work freely. My title comes from the seventeenth century and the early debates about the respective roles and responsibilities of the individual and society – issues raised by the group that came together in the so-called "Invisible College". They argued for "an endeavour to put narrow mindedness out of countenance by the practice of so extensive a charity that it reaches unto everything called man and nothing less than a universal good-will can content it".

Three hundred years later, must we be less ambitious?

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