

A HUNDRED YEARS ON: THE RAGGED TROUSERED PHILANTHROPISTS REVISITED

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When I was invited to present this lecture in memory of Fred Freeman, I was pleased to accept for two main reasons. The first is that I believe that we do need to re-think what we mean by philanthropy and its role in today's world. The second is that, in the latter years of his life, I knew Fred Freeman and served as a trustee of the charity he founded. During my various meetings and lunches with Fred, I discovered that he was a remarkable man. It is appropriate that I say a few words about him, not merely out of courtesy, but also because some of the principles that he held dear have influenced my thinking.

For people who lived in Liverpool during much of the last century 'Freemans' was a name associated with the department store on Wavertree Road. It was a family business that Fred, who was born in 1921, inherited. He became chairman in 1958 when he took over from his father. His business model was ahead of its time. My mother shopped at Freemans because it was possible to buy goods and pay for them over two years. These were the days before credit cards. It was known to provide excellent value for money. I once asked Fred how he managed to supply goods at low price that lasted years. He explained that he had no choice. If goods fell apart before they were paid for, the payments would soon stop. Equally, he understood that his customers were often very short of money and sometimes payments were missed. His debt collectors found gentle ways to help families manage their cash and meet their debts.

His collectors working in the Kensington area could walk to their customers but other collectors worked in North Wales. Salaries and bonuses were arranged so that those who spent over an hour travelling before knocking on the first door did

* This is the text of the Fred Freeman Annual Lecture on Philanthropy delivered by Sir Bert Massie on 18 November 2014 at the University of Liverpool.

not face financial disadvantage. He also introduced profit sharing with his staff even though they had no legal share in the company.

He was a modest man who fell silent when asked about his war record. Fred was a Major in the Chindits, who were special forces operating deep behind enemy lines in North Burma where they used jungle warfare against the Japanese forces.

He believed in payroll giving as a way of raising funds so small grants could be made to individuals or voluntary organisations. When I discovered that Fred had raised and given away over £40 million¹ I wondered why he had not received some national recognition. I made enquiries and discovered that Fred had turned down a Knighthood. I asked Fred why he had done so. He told me that in promoting payroll giving he would approach the trade union shop steward and take his or her advice on how much their members could afford to give. He told me 'They always got it right. They knew their members better than anyone.' He had huge respect for working people and for trade unionists. He saw them, rather than himself, as the philanthropists. He explained that he did not see how he could ask working people to donate money to his charity if he approached them as a knight of the realm. He thought that the title would get in the way of the work.

Fred was anxious that his work should survive him and it has. After his death the funds were moved to Liverpool Charity and Voluntary Services (LCVS), which has endorsed the United Way model of working and promotes payroll giving. It also distributes funds in small amounts to people in need, as Fred's charity once did. It is known as the People for People Fund, which rather neatly encapsulates Fred's philosophy. Although Fred never sought public recognition of his work, it was highly appropriate that in the last year of his life the University of Liverpool awarded him an Honorary Doctor of Law degree.

Previous lecturers in this series have emphasised the wealthy people who funded this University and who contributed to the social and physical infrastructure of Liverpool and other cities. Even people who know little of their work will be familiar with the brewer Sir Andrew Walker who funded the art gallery. Next door to the Walker Art Gallery, the World Museum, then called the Derby Museum, was created to accommodate the preserved specimens that had been collected and donated by the 13th Lord Derby.² William Rathbone's name is indelibly ingrained in the city and this University. Liverpool merchants were wealthy and some invested heavily in public works in the city.

1 <http://www.lcvs.org.uk/givemoney/donate-online/fred-freeman-people-for-people-fund/fred-freeman--1921---2007-.phuse>

2 http://www.liverpoolmuseums.org.uk/wml/history/wml_150_years.pdf

I do not know whether it was easier for people over one hundred years ago to amass large fortunes but as income tax in 1900 was two pence in the pound it seems that it was easier to hold on to it. The wealth of the country was very unevenly distributed. Piketty, in his book, 'Capital in the Twenty-First Century', asserts that in 1900-1910 the top decile of the population of the UK owned 60 per cent of the nation's wealth, with the wealthiest one per cent owning 50 per cent and the poorest 50 per cent owning less than five per cent. He also points out that today the rich are getting even richer and the poor even poorer.³

It is not always an edifying experience to examine how the wealthy acquired their wealth. Henry VIII did so by stealing the assets of the monasteries. Much, but by no means all, of the wealth of Liverpool and Bristol, was founded on the slave trade and from profits on sugar, tobacco and cotton. However, once wealth had been acquired people had a choice on how to dispose of it. It is undoubtedly true that the generosity and foresight of generations of philanthropists has helped to create a better and more humane world. Some industrialists went to great lengths to give their employees better lives. Titus Salt created Saltaire in Yorkshire and built homes, schools and leisure facilities. Nearer Liverpool, across the Mersey, we can still visit Port Sunlight, created by William Lever. There are many more examples that most of us could list.

One of the advantages of private wealth is that it can be used for purposes that would be unlikely to attract the support of government either because it is not their problem or, if it is, they cannot afford to act or decline to do so. An example of this is the work of the Gates Foundation which, together with Rotary International, has spent \$5.5 billion on vaccinations to eliminate polio. New cases have been reduced by 99 per cent, although some countries are still resisting the programme. If the programme could eliminate all new cases, Gates suggests that it would generate net benefits of \$40-50 billion by 2035.⁴ It is difficult to think of national or even international agencies enjoying this freedom of action and success. As someone who contracted polio in 1949, a few years before the first polio vaccine was introduced in 1955 and based on the work of a team headed by Jonas Salk, I wish Gates every possible success. Gates is a modern example of a self-made billionaire who wants to give away part of his wealth and in Liverpool he is supporting the School of Tropical Medicine.

But Fred Freeman also saw another type of philanthropist. He was conscious of working people with limited incomes who gave away part of that income every week in payroll giving. They never knew the people that they helped and they

3 Thomas Piketty, *Capital in the Twenty-First Century* (Harvard University Press, 2014).

4 <http://www.cnn.com/id/101354110#>

received no public acknowledgement. These are the modern ragged trousered philanthropists.

Robert Tressell's book 'The Ragged Trousered Philanthropists'⁵ was published one hundred years ago this year. Tressell died in Liverpool and is buried here. I do not intend to attempt a critique of the novel as people more skilled than me have already done so. But a major theme of the novel was the generosity of the poor. The central character Owen refers to his fellow decorators as philanthropists because they happily hand over the results of their labour to employers and the rich and accept less in wages than the wealth that they have created. This description is, of course, dripping with irony. Nonetheless, Tressell does remind us that philanthropy is not solely the preserve of the wealthy.

If the definition of philanthropy is accepted as being a love of humanity, the motive of the philanthropist is as important as the act of giving. All the great world faiths have giving at their heart. The act needs to involve love or at least altruism. I suspect some acts seen as philanthropic would not pass that test. Giving money or other material resources is just one way of expressing that love. Some people have so much money they can give away large sums without it having any effect on their life style. Should we pay attention to those who do not have money but give generously of their time? Do we value their contribution?

Organisations cannot exist without people. How do we judge whether an organisation is philanthropic? We might agree that registered charities and universities meet our definition but what of family trusts designed to preserve wealth? In recent years there has been a growing debate about the role of charities and I shall return to this. Can commercial companies be philanthropic and, if so, how do we judge? Is there such a concept as corporate philanthropy and can we include public bodies, such as local authorities?

I spent most of my adult life seeking changes in the law and practice that would enable disabled people to enjoy a world in which discrimination would not be a dark shadow over us. For just over 20 years I worked for what was then known as the Royal Association for Disability and Rehabilitation or RADAR. It is now known as Disability Rights UK. For ten years I was its Chief Executive. The charity offered an information service and a small number of direct services including regular publications and support for about 500 disability organisations that were members. But a major activity was working with politicians and others to improve and change laws or to influence those going through Parliament.

5 Robert Tressell, *The Ragged Trousered Philanthropists* (Grafton Books, 1965).

There was nothing cuddly about the work and in seeking funds from charitable foundations and commercial companies it was clear that their needs were as important as ours. There were those of vision and understanding who did not expect results in the time frame of a project. Although some donations could be seen as acts of philanthropy, in other cases that would be to strain the word. I recall one company agreed that its staff could raise a significant amount of money for our work but the Chief Executive, who was not contributing personally, expected a mention in the honours list. The outcome was positive but the motivation more questionable. Many companies were worried about campaigning organisations. Could a campaign damage the reputation of the company? Would it not be better to do something practical, such as training disabled people to get jobs? There is a true story I used to tell them in the hope of changing their minds.

In my late teens, a teacher at one of my old schools contacted me to assist physically disabled school leavers to be more independent. He suggested that they should be trained to get on and off buses. This required some athletic ability because in the 1960s the buses were Routemasters, and had a very high step. Nonetheless, we arranged to visit the Liverpool City Council bus depot in Green Lane. Some of these young people did manage to get on the bus but for most it was impossible. There was no chance any of them would ever be cured. It struck me then that this was an absurd charade. The only way most of them were ever going to get on a bus was if they were lifted on or we redesigned the bus. It would have been much easier to raise funds for the hopeless task of training people to get onto buses and an act of madness to seek to change the bus fleet of the country.

‘Madness’ did I say? That’s how people saw it but now every new bus on public service throughout the European Union is required by law to be accessible to disabled people. It took the energy of many people to bring that about, against huge opposition, but I doubt any of them would view themselves as philanthropists. Despite stories like this, many corporate givers tend to give to causes that they judge the public will regard as worthy. Indeed, most of the public have the same mind set. That is why it is much easier to raise money to fight cancer or heart disease or for animals than it is to fund support services for asylum seekers or ex-prisoners. So often philanthropy is top heavy with moral judgement.

When seeking money for RADAR it was usually necessary to tune-in to the needs of the potential donor. Commercial companies invariably wanted to achieve good publicity for their company and their charitable endeavours. This is hardly surprising. Against this commercial approach, I was surprised at the number of relatively small companies that were prepared to buy advertising in our guidebooks and magazines, which was more of a donation than a business generating

advertisement. Some of them used the advertising space simply to wish the organisation well and did not include their name on the advertisement.

The charitable foundations, often founded by a long-dead philanthropist, were easier organisations to deal with because they understood the work of the charity and, while they wished to ensure grants given were wisely spent, they could take a much longer term view on how that should be measured. They also did not need to concern themselves too much with gaining public endorsement and so were able to pay attention to less popular causes or even to those that the public would regard as unpopular. One survey has shown that 16 per cent of the public believe that Chief Executives of charities should not be paid.⁶ There is also a view that administrative costs should be minimal. I recall one charitable foundation paid half of my salary for three years and sought no public acknowledgement. Some would regard this as a very poor use of charitable funds.

Charities are sometimes presented in the press as not being as efficient as commercial companies and, at a time when value for money has achieved deity status, charities are under increasing pressure to be transparent about how they raise and spend their money. In recent years, significant attention has been given to enabling companies and individuals that wish to support charities to gain assurance that the funds will be well spent. For example, New Philanthropy Capital analyses effectiveness of charities and how well they use their funds. Funders can obtain the reports so they can direct their charitable giving to those charities that are judged to be controlling costs and achieving results. It is difficult to disagree with the principle but I fear long-term outcomes will suffer.

During my time at RADAR one charitable trust offered us £250,000 if we could match fund and devise a suitable project. The result was the establishment within the National Health Service of a handful of centres to assist people with speech impairments and to provide appropriate assistive devices. Professor Stephen Hawkins has demonstrated the importance of such technology but at the time we were in virgin territory. I am not sure how we would measure such a project.

Today reputable companies are conscious of their corporate social responsibilities but I think philanthropic principles have been evident in commercial organisations for many years. The most obvious example is the co-operative movement promoted by the Rochdale Society of Equitable Pioneers that opened its first shop in 1844. It could be argued that the movement was self seeking in that it intended to improve the lives of its members, but it was also based on the belief that the food that it sold should not be adulterated, as was common at the time. Dividends

⁶ Sue Wixley and James Noble, *Mind the Gap: What the Public Thinks About Charities* (New Philanthropy Capital, 2014).

were based on purchases rather than being given to shareholders with surplus capital to invest. If seeking a better society in which we all live is a motivation for altruistic activity then it seems to me that the co-operative movement, despite recent events at the Co-operative Bank, could reasonably be regarded as philanthropic.

The noble principles of the co-operative movement could be compared today with the growing practice of larger companies of exporting profits to overseas tax havens so that the companies do not need to pay taxes and contribute to the public services that enable them to operate in this country.

Another example, founded on the same principle as the co-operatives, was the Building Societies, owned by their members. Now, of course, there are precious few conventional building societies left as they were progressively turned into banks, and then taken over by larger banks, many of which in turn went bust and had to be rescued by the taxes of the entire population. It is perhaps ironic that they were saved by the same socialistic tendencies to prevent their depositors losing their savings that led to their original creation. Michael Brophy was the chief executive of the Charities Aid Foundation from 1982 until 2002. During his time there, he increased its funds from £12 million to £1.5 billion. In 2005, he published a book entitled 'Citizen Power' in which he makes an impassioned plea to move powers and duties from Whitehall and local government to local organisations and to individuals. A few years before the worldwide banking collapse, he criticised the decision of building societies to become banks and, in particular, what he saw as the self-interested actions of senior managers. It is worth quoting part of a paragraph:⁷

The greed came in two colours. First the real McCoy, the green-eyed lip sweating greed of erstwhile Trustees being remunerated at mind-boggling levels. Life at the top of a new for-profit corporation able to organise takeovers and mergers, to bring in IBM as an outsource, to go international, was a real difference between say £100,000 per annum 15 years ago and £1.5 million per annum plus £2.8 million in bonuses, with a pension of £800,000 and occasional windfalls.

Brophy's anger extends to the boards that ditched the principles of the building societies and voted to become banks. What this boils down to is organisations that were based on philanthropic principles selling their souls to mammon and in the process doing a great deal of harm.

7 Michael Brophy, *Citizen Power* (Published privately by Pen & Ink Publicity Ltd, 2005).

However, even banks are capable of generosity and philanthropy. For many years, Lloyds Bank has funded the Lloyds Charitable Foundation which supports small and medium-size charities and concentrates its giving in the most deprived areas of the country including Liverpool which is currently receiving around £250,000.⁸

While the donations and gifts of large amounts are recorded in the accounts of the recipient organisation, a major source of income for charities is from the large number of people who donate relatively small amounts but whose collective contribution is significant. The amount of such giving is monitored by the Cabinet Office. The current Community Life Survey covers the years 2012-13. It reveals widespread charitable giving in this country. In the four weeks before they were interviewed, 75 per cent of people had given to charity. The proportion of people who donate varies around the country with the East of England being the highest at 80 per cent and the North East the lowest at 68 per cent - just one per cent lower than London. However, the average donation in London was £24.29 compared to a national average of £18.50. Although those on higher incomes tended to give more, those on lower salaries gave proportionately more.⁹ According to the Charities Aid Foundation, in 2011-12 total giving by individuals totalled £9.3 billion and in a typical month 28.4 million people made a contribution of some sort.¹⁰

The Cabinet Office illustrates that the ways in which people give vary widely from those buying raffle tickets to supporting charity shops to putting money into collecting tins. Donations such as these are inefficient in terms of taxation. Taxpayers who sign a cheque can enable the charity to claim gift aid on the donation and if they are higher rate taxpayers they can claim part of the donation against their tax allowance. Nonetheless, the figures do indicate a high level of altruism amongst people in this country and represent an army of low profile or even invisible philanthropists.

It is perhaps unconventional to suggest that philanthropy also exists within public bodies. For example, Liverpool City Council undertakes statutory functions for which we as taxpayers have paid. Public organisations are today facing pressures to provide more for less and this has resulted in many strains. But organisations consist of individuals who often make a positive difference. Let me give an example.

8 <http://www.lloydsbankfoundation.org.uk>

9 https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/314432/2012-2013-giving-time-and-money-report.pdf

10 NCVO and CAF, *UK Giving 2012: an overview of charitable giving in the UK 2011/12* (November 2012).

Disabled students in higher education might qualify for the Disabled Students Allowance. This was introduced when I was an undergraduate student. One afternoon, I received a telephone call from the council official who arranged my student grant and who had been supportive to my family when I was a child. He said, 'Bert, a new allowance has come in for students who are crippled. There's a long form to be completed but this is just silly. You are clearly crippled so don't worry about the form. I'll just send you the cheque.' Let's concede that political correctness was not his forte. But I know from speaking to others that all the disabled people he supported received the same backing. He went way beyond what was required of him but such was his determination to help people get on in life that there was little he would not do. How is that different in principle to the wealthy person who makes a donation to a university to help people get on in life?

In the British civil service there is a standing joke - a one-liner. A civil servant arrives and says, 'I'm from the government and I've come to help.' At this point people roll around in helpless laughter. But what about the civil servants who do make a positive difference and sometimes do so at considerable cost to their own careers?

I spent much of my professional life on the fringes of government and at one time or another have worked with most departments and have witnessed the talent and skills of civil servants who undoubtedly have helped. Let me give just one example. I was one of a team of people, or more precisely several teams of people, who worked to make public transport accessible to disabled people. Some of us were members of many of these teams and others brought their expertise to work on one mode of transport. For example, we could not have made buses accessible without the support and help of people within the industry. But tying it all together was a civil servant in the Department of Transport. It is impossible to achieve change of such magnitude within a couple of years. It took nine years from the suggestion that taxis be built to accommodate wheelchair users and the first taxis being introduced into London that met the specifications. It took over 15 years to have trains fitted with toilets that wheelchair users could use. To see the task through she turned down regular offers of promotion because the task of helping people to become mobile was more important than the career path. Today Britain is the only country in the world that has such a large fleet of accessible taxis. Accessible buses cater not just for wheelchairs users but have hand rails designed for people with arthritis, and trains are also now accessible. This is a change that many thought impossible in the 1980s. How is that less philanthropic than signing a cheque?

In so many of the commercial, charitable and public organisations with which I have worked, it has been impossible not to be impressed by the altruism of so many of their staff. I want to say more about individuals.

I have deliberately sought to move philanthropy away from cash to other types of intervention. I want to take that further and discuss the contribution to society made by volunteers either informally or formally. In a 1980 television interview, the then Prime Minister Margaret Thatcher said ‘No one would remember the Good Samaritan if he’d only had good intentions. He had money as well.’ She could have added, but did not, that he also gave time. When considering philanthropy, we often look at the material goods given; most typically, hard cash or buildings. In the UK there is a considerable overlap between those who donate money to charities and good causes and those who also contribute their time. There are also those who have very little in the way of money that they are able to contribute but they do give time.

According to the Cabinet Office, in 2012-13 just under half of people participated in formal or informal volunteering at least once a month in the previous 12 months.¹¹ This figure rose to 74 per cent who had volunteered at least once in the previous 12 months. The organisation Carers UK claims that there are 6.5 million carers in the UK today which represents one in eight adults whose work saves the country about £119 billion a year.¹² This figure assumes that the State would step up to the mark if the carers withdrew their labour. Of course, that is unlikely to happen because most of these carers are supporting members of their family and as such are excluded from the Cabinet Office figures. So, what do these volunteers do?

According to the Charity Commission there are over 180,000 registered charities in England and Wales. They all need trustees.¹³ The National Council of Voluntary Organisations (NCVO) estimated that in 2009-10 there were 834,000 trustee board positions within the voluntary sector. About 45 per cent of trustees are members of more than one board and the NCVO concludes that there are about 580,000 trustees in UK voluntary organisations. Trustees of charities ordinarily receive no payment. Suggestions that trustees should be paid have been rejected by the voluntary sector. This represents an enormous contribution to the well being of this country by a significant number of people.¹⁴

The contribution volunteers make to our national life is far greater than people sitting around committee tables. One of the features of the London Olympic Games was the contribution of an army of volunteers. I have been involved in the

11 n 9.

12 <http://www.carersuk.org>

13 <http://apps.charitycommission.gov.uk/showcharity/registerofcharities/SectorData/SectorOverview.aspx>

14 <http://data.ncvo.org.uk/a/almanac12/how-many-trustees-of-voluntary-organisations-are-there-in-the-uk/>

voluntary sector almost all of my life. It is surprising how deeply ingrained volunteering is in this country. The first charity that offered me support was the British Polio Fellowship, which had a small team of paid staff in southern England. All the people I met in Liverpool were volunteers. I was a member of the Cubs and then the Scouts, both run by volunteers. In my late teens I was invited to head a committee running a social club to enable disabled school leavers to mix with non-disabled people. To get it going we needed volunteers and they were provided by an organisation that continues to thrive, Community Service Volunteers, who provided four volunteers, all of whom were students at this University. Currently, I chair the Volunteer Centre, Liverpool which works with the Guild of Students on promoting volunteering and I know that it is still very much part of student life. I suspect that most of you in this room are also volunteers but perhaps you do not associate your contribution with philanthropy.

There is currently no formal mechanism for recognising the work of volunteers. Unlike cash donations, it cannot be gift aided or recognised in the tax system. However, I think it would be difficult to question the philanthropic contribution that volunteers make to our society. It can, of course, be argued that volunteers also gain pleasure and satisfaction from their activities but then so do more conventional philanthropists. Bill Gates has said that he receives more satisfaction from the work of his Foundation than he did in building up Microsoft.¹⁵ This city is stuffed to the gunnels with people giving their time to support people, animals and various other causes. They do not appear on a balance sheet but they do change lives and we need to develop ways of recognising their contribution.

I referred earlier to the danger of philanthropic organisations losing their way. I think I should say more about charities. When we look for philanthropic institutions, it is natural to look at the nation's charities. The reasons for which a charity can be established are contained in legislation and all charities are required to demonstrate that they have a public benefit purpose. The statement that charities do charitable works is so tautological that it seems eccentric to question it. I intend to do so.

Over four years ago, the Baring Foundation established a Panel to consider and monitor the independence of the voluntary sector. I have been a member of the Panel since its formation and we have produced a number of reports. When the current government was elected it had a manifesto commitment to abolish as many quangos as possible. Unlike some of its other commitments, it pursued this with Jesuit vigour. One of the organisations it abolished was the Commission for the Compact, which I chaired. The role of the Commission was to promote the

15 http://www.ted.com/talks/bill_and_melinda_gates_why_giving_away_our_wealth_has_been_the_most_satisfying_thing_we_ve_done?language=en

Compact between the voluntary or third sector and the various part of government, both local and national. Simultaneously, the Prime Minister was promoting what he called the Big Society. There were therefore mixed messages coming out of government. On the one hand, there was a wish to promote voluntary action while, on the other hand, the means of ensuring the voluntary sector was treated fairly by the state was undermined. The Compact itself was rewritten and weakened. It did however recognise that a legitimate role of the voluntary sector was to campaign. Paragraph 1.1 of the Compact commits the government to:¹⁶

Respect and uphold the independence of Civil Society Organisations to deliver their mission, including the right to campaign, regardless of any relationship, financial or otherwise, which may exist.

Later in the Compact the government agrees to enable the voluntary sector to deliver public services. This second objective has been seized on by some third sector organisations that have seen government contracts as achieving two objectives. The first is influenced by the belief that some public services are delivered so badly, often by the private sector, that the charitable sector could do it better and it is consistent with their charitable objectives to do so. The second is that government contracts offer an opportunity to replace the grants and other support that local and national government used to give.

The Panel on the Independence of the Voluntary Sector has received disturbing evidence that some charities have had to sacrifice some of their charitable or philanthropic objectives in order to obtain or retain government contracts. One example of this was the much criticised Work Programme promoted by the Department for Work and Pensions (DWP). Private commercial providers were appointed as the Prime Contractor by government. To deliver the programme those Prime Contractors would appoint secondary contractors, usually in the voluntary sector. It soon became apparent, at least to the voluntary sector organisations involved, that this programme was failing on any rational assessment. However, under the terms of their contract, they could not publish data about the programme without the prior permission of DWP. When some began to criticise anyway, the DWP reminded organisations of their contractual obligations. When some people suggested this was like a gagging clause, the DWP responded by informing charities that they could share ‘good practice’.¹⁷ Satire lives on!

Voluntary organisations have provided direct services to the public for more than a century. Most hospices are voluntary organisations, as indeed are many

¹⁶ Cabinet Office, *The Compact* (December 2010) 8.

¹⁷ Claire Elliot and Derek French, *Letter to Work Programme Providers* (DWP, 8 November 2012).

universities, theatres etc. What has changed is that the government wants the voluntary sector to deliver services but only according to its instructions. The flexibility, innovation, and practice based upon firm principles that traditionally defined the sector are to be shoved overboard in the quest for dubious 'value for money'. It is the role of the trustees of charities to ensure that they do not put their survival before the principles on which the charity was created. I know of two local charities that have refused to accept contracts that they believed could not be delivered in a manner that was consistent with their ethics.

Earlier I drew attention to the many years it sometimes takes to achieve change. This can be seen in research such as the development of drugs. It is also true of social policy. Disabled people and disability charities campaigned for 15 years to get the Disability Discrimination Act 1995 through Parliament. It took another ten years to plug some of the gaps. Although not all laws work, they can produce change well beyond the capacity of the most generous donor. That is why one aspect of the government's policy is disturbing.

The current government is more sensitive than any government in my lifetime to criticism and seems determined to gag charities. The Transparency of Lobbying, Non-Party Campaigning and Trade Union Administration Act 2014 is one manifestation of this. A recent twitter advertisement from Oxfam was headed 'the perfect storm - starring zero hour contracts, high prices, benefit cuts, unemployment, childcare costs.' These words were on a background of a stormy sea. It was attacked by Conservative MPs who claimed that it was not the role of charities to criticise government. Oxfam was not being party political but drawing attention to damaging policies. But so upset was Conor Burns MP that he asked the Charity Commission to investigate whether Oxfam had breached its charitable status.¹⁸

The Trussell Trust provides food banks throughout the country. When it commented that there was an increasing demand for its services, Welfare Minister Lord Freud suggested in the House of Lords that the demand for food from food banks was bound to increase because it was free.¹⁹ I am a trustee of a Liverpool-based charity, Raise, that, amongst other things, assists people with benefits and debt issues. It issues people with vouchers to use the food bank. One of the major reasons why people need vouchers is that the DWP have cut off their benefits without warning. They are often reinstated on appeal but that does not help people who find that they cannot feed their children today or tomorrow.

18 <http://www.independent.co.uk/news/uk/home-news/oxfam-perfect-storm-poster-attacked-as-shameful-by-conservative-politicians-9526661.html>

19 <http://www.publications.parliament.uk/pa/ld201314/ldhansrd/text/130702-0001.htm>

The Independence Panel interviewed Chris Mould, chairman of the Trussell Trust, who told us that somebody in power warned him that the government could get the Trust shut down for criticising benefit reforms. The DWP Secretary of State was angry that the Trussell Trust was publicising concerns over the rising number of people who were struggling as a consequence of delays and inefficiencies in the benefits system.²⁰ I can but recall the well-known words attributed to the Brazilian priest Helder Camara ‘When I give food to the poor they call me a saint. When I ask why the poor have no food they call me a communist.’ And that was over one hundred years ago.

The voluntary sector now knows that the government takes a very poor view of organisations that criticise it or its policies. We were concerned that this could lead to self-censorship within organisations; that trustees would prefer to keep their heads down rather than face the aggressive artillery that will come their way from Whitehall. It does raise the question whether it is more philanthropic for an organisation to preserve its existence by accepting the government’s line even if it harms or fails to protect the people that the charity was created to serve. A number of charities confirmed to the Panel that they have felt obliged to put survival first. Rather than face the government’s PR machine, some organisations are imposing self-censorship. It means that charities that deal in social policy are being silenced. This is really rather sinister.

The government does not believe that charities should campaign but should concentrate on providing services. Public opinion surveys suggest that only ten per cent of the public believe that charities should not campaign.²¹ The government is out of step with public opinion but seems determined to make charities think twice or more about campaigning. Moreover, the Charity Commission, perhaps in response to government pressure, has proposed that charities should state in their annual reports how much they receive in public funding and how much they spend on campaigning.²² This is in the interests of transparency apparently. Such was the reaction that this has been placed on the back burner for a year or so. I spent much of my working life working with government on disability policy. When I sit on a government committee, to which I have been appointed following a competitive interview, am I campaigning or acting in an administrative and policy capacity? At the end of the day, charities are going to need to do what is right and what is in the interest of the people for

20 http://www.civilsociety.co.uk/governance/news/content/17632/trussell_trust_chair_told_the_government_might_try_to_shut_you_down

21 nfpSynergy, *The Politics of Charities: What do the public, MPS and journalists think of campaigning and political activity by charities?* (2014).

22 http://www.civilsociety.co.uk/governance/news/content/17670/commission_may_require_charities_to_declare_campaign_spending

whom the charity was established. If they do, they will have philanthropic purposes. If they do not, then the future of the charity should and will be questioned.

In this evening's presentation I have sought to acknowledge the philanthropic contribution of the wealthy, the influential and the powerful. However, I do not accept that philanthropy is their sole preserve. Tressell was being ironic in referring to the Ragged Trousered Philanthropists but nonetheless he hit on the truth. If you want to find today's philanthropists, you will see their names on fine buildings or even on the doors of rooms within buildings. Charitable trusts are named in their honour and continue to do excellent work. But, in proportion to their income, people with modest salaries and no capital also give generously and usually they remain anonymous. This figure is almost three quarters of the population. People also give their time to serve as school governors, deliver meals-on-wheels or run the local Girl Scouts. Without their contribution, the country would be deeply impoverished. Commercial companies also make a contribution. The vibrant charitable sector continues to play a huge and central role in supporting people. Next time you have a glass of something agreeable in your hand, I suggest that you toast the philanthropists. You will not need to look far to find them as they will be all around you. The truth is that we are a nation of philanthropists, some wealthy and others wearing ragged clothes because there is more to philanthropy than money.