

CAN CHARITIES SAVE THE DAY IN A VALUES-LITE UK?¹

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When William Morris, the great Victorian artist, writer and political visionary, fantasised about the future in his part-work 'News from Nowhere' in 1890, he chose this very year, 2012, for the awakening of his Rip van Winkle figure by the Thames at Hammersmith. He found a Britain that had been transformed after a violent socialist revolution in 1952. In the ideal social order by then established, work had become a pleasure (women were still apparently doing the housework – but willingly) and the concept of 'art' had become redundant. Courts and prisons had been abolished; Parliament was now used as a storehouse for manure, its functions replaced by self-governing communes.

How wrong can you get! Violence, happily, we have avoided. But work has for too many lost its savour through over-specialisation, depersonalisation and relentless pressure. Courts are busy and prisons bursting. Apart from the 'Occupy' camp, communes are unknown in this centralised country. Only as regards Parliament was he right – it is indeed a storehouse for manure, namely the rotting piles of crap legislation; all 10,000 pages a year of it!

As for 'the ideal social order', that seems a long way off with the intensifying breakdown of community life and ever more obsessing about money wealth.

As to the last, there is for example an increasing diaspora of effectively stateless people who locate and relocate themselves according to legal considerations, whether of tax or even vulnerability to fraud prosecution. Quite a lot of such émigrés and their tainted money flood into London hence the continuing escalation of high-end property prices.

1 This is the text of a public lecture given at the Charity Law & Policy Unit, University of Liverpool in November 2012.

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The same allegiance-free, values-lite consequence also derives from the increasing domination of global corporations. It is further exacerbated by the increasing churn in big company boardrooms, plus the fickleness of the modern shareholder. I think the average length of a shareholding in a public company these days is around three months. Less than twenty years ago it was nearer ten years. As the chairman of Cadbury's said when it went public in the 1980's (and it has got worse since):

Once we became a quoted company we were answerable to our shareholders in the same way as any other company and subject to the same external discipline. We are, therefore, not in a position to make any special claims about the way in which the business is run and the values which lie behind its management, nor would it be right for us to do so.

That dismal state of affairs has intensified and is reinforced by the law.

Indeed, a friend of mine, who is Chairman of a public company, recently advised its board that he thought that the ludicrously artificial tax avoidance scheme put to it by its advisers was disreputable and inconsistent with good corporate citizenship. The Board agreed. The company secretary warned him the following day that, by declining to 'save' shareholders' money he exposed himself to being personally sued. He did not retract.

With regard to investment decisions, even charity trustee boards are not necessarily in a very different position. I represented Richard Harries, the Bishop of Oxford (and others), in his case against the Church Commissioners twenty years ago. Although obtaining the highest investment return is the starting point for trustees, at least the judge accepted that they can, and sometimes must, steer clear of certain investments if they would directly offend the very purposes for which their charity existed. Quakers and arms; (the RSPCA and some research laboratories come to mind).

But to revert to broader values, even in the 1980's, the writing was on the wall. Do you remember Ivan Boesky, the then fawned-upon Wall Street swindler, whose confessions exposed our own Guinness scandal involving top-drawer banks and brokers? He said to an audience of adoring US business students just before his fall 'greed is alright by the way. I want you to know that. You can be greedy and still feel good about yourself'.

Even he could scarcely have anticipated the extent to which the money-mania has penetrated western culture today. As usual, the City has led the way.

And when I gave the BBC Radio 4 annual Hibbert Trust lecture in February 1988, I chose as my title 'The Love of Money'. In it I said that:

Hand in hand with licensed greed creeps in corruption. For the value system which tolerates, even encourages, the former would not be likely long to resist the latter if that is necessary to achieve money success. If anyone doubts that, consider the onrush of tax fiddling (a multi-billion industry) and fraud (reckoned at £3 billion+ a year) in Britain. Like dry rot it is in danger of spreading, silent and unseen, throughout the social fabric, here as elsewhere. Where the moral markers have been systematically uprooted, no one should be surprised that more and more abandon the straight and narrow.

I wish I had been wrong! Just consider one aspect of our decline, tax fiddling. It is now a huge industry. To give one example, the accountants KPMG, in a plea bargain with the American Authorities two or three years ago, paid around \$450 million penalty for devising and very profitably running massive illegal tax schemes for years.

It is perhaps unfair to pick them out, because comparable unscrupulousness is tragically commonplace in today's financial centres. The £3 billion UK fraud total of 1988 is now, by the way, estimated at \$73 billion. How does one explain to a harassed nurse or battle-front soldier how or why she or he pays a higher rate of tax than some City nabob, who can earn more in a day than the nurse and the soldier in a year? What values underpin that? And just to rub it in, how many financial fraudsters ever see the inside of a prison? And most of them are in positions of trust, don't forget.

Perhaps it is just as well that the truth about the extent of the collapse of the world's financial centres, centred on London and New York, may never be told. People who can swindle so ruthlessly and effectively are able and adept at covering their tracks, often by arranging their conspiracies to rig or fix the markets by word of mouth. The brute fact is that corruption is far deeper and wider spread than the British public realises.

The paradox is that the vast majority of people in the City are decent. But the culture they work in is amoral at best, and, unless they and we resuscitate it, much worse is bound to follow. Like fish, the UK is rotting from the head, and unsurprisingly one finds rotteness in other institutions. Look at us politicians. It will take decades to recover from the major expenses frauds which involved a majority of MPs and Peers. Or look at the Police. The awful Hillsborough revelations – and God bless those Liverpoolians who persisted - added to those of the Leveson Inquiry are deeply disillusioning. And what of the media? Perhaps there is less surprise there. But what it all adds up to is a collapse of citizen trust

in the organs of our rabidly materialist society and trust, I devoutly believe, is the sine que non of a good society.

Even the churches have let us down, eschewing their prophetic role, perhaps afraid of upsetting the moneybags as is the case with so many politicians. Happily, the new Bishop of Durham, Justin Welby, an ex-City man, spoke recently of 'the wild and frantic activity (in the City), often by exceptionally intelligent people working very long hours, but they had no socially useful purpose'. Lord (Adair) Turner of the Financial Services Authority courageously said much the same over a year ago.

Miraculously, you may think, charity is still legally founded on the concept of altruism. This is defined in the Oxford Dictionary 'a selfless concern for the wellbeing of others'. In short, altruism is the absolute antithesis of self-interest. Thirty years ago, I had application for charitable status turned down expressly on the grounds of want of altruism. Today the Charity Commission would talk of 'exclusive public benefit'.

But that core value of altruism in today's world is more indispensable, albeit immeasurable, than ever. The word 'charity' itself, as most will know, derives from the Latin word 'caritas', meaning love. And I am not talking about love of money! No, a general application of that essence of charity in today's disoriented world of truncated sensibility is surely our best chance of getting out of the materialist impasse.

Despite everything, more than half the population gives time and money to charity at least once a month. Despite the exigencies of time, there is even an increase in donors, though a slight fall in donations. We have around one third of a million charities and nearly a million citizens who are on their governing bodies.

In my home town of Sudbury, we now hold a voluntary sector fair on one February Saturday every two years. It would gladden your hearts to be there. When first mooted, the highest estimate of the number of voluntary organisations in the town and district (about 25,000 people) was 60. In fact we turned up 280 – some very small – of whom over 150 have stalls at the 'Sudbury on Show' event. It could not be a more uplifting and reassuring demonstration of the vitality of our voluntary roots and traditions. I recommend the idea to anyone listening. It is brilliant for morale and provides networking opportunities between voluntary organisations and a great recruiting opportunity amongst the 1,000 plus visitors who all go away with a list of contact points for all 280 organisations.

Charities today are increasingly delivering welfare services previously delivered by local or central state entities. Insofar as some of the latter have lost some of their original ethos, the new charity providers can revive the old ideals.

But, at the same time, we must not be blind to the pressures on charities to ape some of the less admirable characteristics of some businesses. As a charity lawyer, I have seen a few charities which have become too risk-averse. For example, the public concern with charity overheads has led some to go for the easy hits. But if you take overseas aid, it is often impossible to get the aid to where it is most needed, let alone ensure that it is well used, without major on-the-ground work, which is costly.

There is also a danger, though not I think commonplace, that charities with a large body of paid staff may find it simpler to take on more paid staff rather than train and deploy volunteers. The ethos of charities can then slip. Volunteers should be used to their fullest extent.

Perhaps the greatest single current threat to the values of the charity sector comes from the recommendation by Lord Hodgson in his otherwise admirable Report on the workings of the Charities Act 2006 that charities with a turnover of more than £1 million a year should automatically be able to remunerate their trustees. The recommendation has generally been shunned by the sector, particularly by National Council for Voluntary Organisations, but is supported by the Association for Chief Executives of Voluntary Organisations, and strongly by its CEO. Given the centrality of altruism and voluntarism in the magic ecology of the charity world, such a change would I believe over time be cataclysmic. The example set by the boards of the big charities who were paid would run wholly counter that ecology; commercialisation would inevitably increase; the magnet for volunteers would be weakened. For, make no mistake, as things are, despite the collapse of public trust in so much else, charities remain largely unscathed, a consoling and motivating light in a naughty world.

That is priceless because the world of business and high finance is being engulfed by its own greed. As the great Bard put it in *Troilus and Cressida* ‘and appetite, an universal wolf, so doubly seconded with will and power, must make perforce an universal prey and, last, eat up himself’.

Let me cheer you up a bit and give you a personification of those heartland qualities of charity. I talk of Mrs Brown, my neighbour when I bought my first house in a Suffolk village. I can see her radiant visage as I talk, for she was invariably wreathed in smiles. She was over eighty when I first got to know her and had lived her entire life in the small community of Poslingford with its hundred souls. Indeed, when I asked her if she had travelled much she confessed that she had only had one night out of the village, adding swiftly that she hadn’t really minded because, as she put it, ‘I love the village’. And so she did. And so she was loved.

By today's values she was a nobody. She held no office, had no formal attainments, was truly poor in money terms, and never had much conventional ambition.

Yet she was the epitome of altruism, of generosity of spirit not only in terms of her widow's mite, but in terms of her awesome human gifts bestowed naturally on other villagers and on the village itself. Amongst other things she had raised an illegitimate boy as her own; she exuded human warmth, affirmation and positiveness. She was a living affront to the commercialised, short term, celebrity-struck, rabidly individualist and money-obsessed values of 2012.

If I sound pessimistic, I am not. I may be in the short term, but strategically I have infinite faith in the decency, good sense and goodwill of the average Brit. And I believe that honest realism is the necessary springboard for change. This is not the first time we have arrived at the cliff edge. It happens every couple of hundred years. There are already signs that the alarm is being heard throughout the kingdom, and this great sector is better placed to take up the challenge than anyone. For it is still, despite the encircling gloom, splendidly diverse, anarchic even; truly organic; intrinsically co-operative; people-centred top and bottom; open hearted and generous spirited; trustful and trusted; informal and unbureaucratic; inclusive and non-discriminatory; mutual by nature and communal in attitude; egalitarian in the profound sense of valuing all equally; collaborative rather than competitive; selfless and public spirited. And above all, it is mission centred and driven.

One only has to recite that litany of virtue to realise how much a renaissance of the common wealth and common life of this country at this strange and critical juncture depend upon this unique repository of our cultural genes. The battle is joined alright and we must follow our island's history of 11th hour reformation, where those genes are more than a match for values-lite materialism. Stand to!