

COVID-19 pandemic pushes UK charity sector into crisis

Ben Trent
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“They [the English bourgeoisie] who have founded philanthropic institutions, such as no other country can boast of As though you rendered the proletarians a service in first sucking out their very life-blood and then practising your self-complacent, Pharisaic philanthropy upon them, placing yourselves before the world as mighty benefactors of humanity when you give back to the plundered victims the hundredth part of what belongs to them! Charity which degrades him who gives more than him who takes; charity which treads the downtrodden still deeper in the dust, which demands that the degraded, the pariah cast out by society, shall first surrender the last that remains to him ... shall first beg for mercy before your mercy deigns to press, in the shape of an alms, the brand of degradation upon his brow.”

Frederick Engels, 1845, *The Condition of the Working Class in England*.

One hundred and seventy-five years after Friedrich Engels, the cofounder of scientific socialism alongside Karl Marx, wrote these lines, the charity sector is a multibillion pound industry. According to the National Council for Voluntary Organisations (NCVO), the UK currently has 166,000 charities, with an annual turnover of £48 billion.

The *Daily Mail* and the *Sun* reported in 2019 that charities, including Macmillan Cancer Support, World Wildlife Fund and Marie Stopes, had been awarding senior leaders five figure bonuses, reaching a peak of £200,000.

The coronavirus pandemic, however, has caused the charitable sector an unprecedented challenge. Estimated figures see charities set to lose up to £4 billion over a 12-week period. A survey conducted by the Institute of Fundraising, NCVO and the Charity Finance group found that hundreds of large charities expect to see their income fall by nearly a third in the coming year due to the pandemic.

At the end of March, reported the WSW, that nine days preceding March 24, 470,000 people applied for assistance through Universal Credit, more than eight times the average. With a 700 percent spike on March 27, things look set to get worse. We noted, “the Nomura investment bank predicted further surges in the unemployment rate to eight percent in the April-June quarter, rising to 8.5 percent in the next three months,” amounting to a figure of 2.75 million people unemployed.

The coalescence of an economic crisis and the spread of the deadly coronavirus, almost unchecked by the UK government, has seen a devastating increase in the use of food banks along with a host of other charitable services. Numerous charities have also had to step in to staunch the overflow of the pandemic, which the National Health Service has been unable to cope with due to a decade of being gutted of resources.

During the government (1979-1991) of Prime Minister Margaret Thatcher, the watchword of the day was that there was “no such thing as society.” This clarion call heralded an offensive to break up the welfare state, the social victories secured by the working class in the aftermath of the Second World War granted in order to avert the threat of socialist revolution. Thatcher’s neoliberal agenda saw 18 years of Tory rollbacks. Moreover, the Labour Party’s victory of 1997 saw this continue under the premiership of Tony Blair.

Without having to tackle issues such as massive unemployment, Blair was able to continue the Thatcherite agenda of rolling back welfare provisions and carrying out privatisation by stealth. Blair and Gordon Brown’s governments saw significant groundwork in the privatisation of the NHS, with the introduction of “independent sector treatment centres” (ISTCs) and the opening up of the National Health Service (NHS) “internal market” to “any qualified provider” (AQP), under Brown in 2009.

The 2008 financial crash, along with the election in 2010 of the viciously right-wing Conservative/Liberal Democrat coalition led by David Cameron, saw a dramatic escalation of the attack on state provision. Social welfare and services were slashed, with local authorities forced to make monumental savings year on year, all with no genuine opposition from the Labour Party.

The past decade saw a massive increase in poverty and social hardship. According to Cameron, charities could fill the gulf left behind by the destruction of all social and health care services by the welfare state. His “big society” would see a whole host of philanthropic NGOs (non-governmental organisations) take on the challenges previously met by the state.

This myth is now crumbling in the face of the escalating social crisis. “Charities will have planned on raising millions of pounds which is going to be irrevocably lost because of the impact of coronavirus,” stated Peter Lewis, chief executive of the Institute of Fundraising. “The cancellation of high profile events, such as the London Marathon, as well as thousands of smaller events run by local charities across the country, closure of shops, and a halt on public fundraising activity have already caused huge problems for charities who quite simply can’t plug the gap in such a short time.”

On March 31, the *Financial Times* rang the alarm bells for the UK government. In an article titled, “Charities need a lifeline to respond to coronavirus—and rebuild society afterwards,” the FT warned that many charities will face liquidation due to a projected reduction of income by 48 percent, as detailed by figures released by the Institute of Fundraising. The article insisted, however, “After the immediate crisis has passed, charities will play a critical role in rebuilding society,” making clear that there will be no possibility of the state resuming any social responsibility that might cut into the sacred profit margins of big business.

The FT’s message was heard loud and clear. Within barely two weeks Chancellor of the Exchequer Rishi Sunak made great fanfare of a pledge of a measly £750 million to charities, a pittance compared to the £350 billion that has been made available for banks and giant corporations to squander. Nevertheless, it provided a lifeline in the short-term to keep the charity sector alive, albeit barely breathing, to justify far bigger cuts in social provision to come.

The pledge sees almost half (£360 million) going to charities to shore up key services, such as St. John’s Ambulance and hospices, which aid the NHS. Further it

will go to victims’ charities and vulnerable children’s charities to alleviate local authorities as well as the Citizen’s Advice Bureau.

A further £370 million will be made available to small- and medium-sized charities.

Echoing the language of the FT, Sunak stated that the pledge “will ensure our key charities can continue to deliver the services that millions of people up and down the country rely on,” as well as acknowledging that “our charities are playing a crucial role in the national fight against coronavirus, supporting those who are most in need.”

Health Secretary Matt Hancock proclaimed that the “entire charity sector has stepped up as part of our national effort to tackle coronavirus, from helping our NHS heroes to ensuring the most vulnerable among us are cared for properly.”

This “national effort,” much like Cameron’s “big society,” is used to obfuscate the class issues at stake. While the superrich have hightailed to their luxurious country estates, workers across Europe are being corralled back to work in a complete disregard for their health. Big business is being bailed out by the UK government, while Conservative think-tanks have workers’ pensions in their sights, a taste of austerity to come.

For the charities which are not able to claim this grant, and for those still going to fall short despite the grant, the meagre services they provide must now be cut to the bone.

As Sunak himself declared, with barely disguised contempt, “I can’t stand here and say I can save every single job, protect every single business or indeed every single charity. That’s just simply not possible.”



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