

Analysis of implications of 2010 budget for the voluntary and community sector

**For IMPACT Boards and Voluntary
Agencies Branch**

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Terms of reference

The purpose of this paper is to examine the 2010 budget so as to assess the implications for services provided by and employment in the voluntary and community sector, including the political implications of a potentially diminished voluntary and community sector, such as loss of voice and representation for the clients and communities that they represent. A summary version could be a basis of campaigning pamphlet version to follow.

Background

A previous paper *Projected implications of public spending cuts on services provided by and employment in voluntary and community organizations* examined the effects of the two 2009 budgets. The paper included the context in which the voluntary and community sector found itself, information on the effects of cuts thus far and the implications of the further menu of cuts proposed in the McCarthy report. The interpretation presented was that:

- Social policy organizations had been especially adversely and disproportionately affected by the changes introduced in the 2009 budgets;
- The abolition, integration or merging of 41 state agencies had removed champions of social policy and voluntary and community organizations within the public and civil service.

The conclusions were:

- The cumulative effects of cuts between 5% and 25% of budgets would be a loss of between 2,124 and 10,620 jobs in the voluntary and community sector;
- Few voluntary organizations had financial reserves to cushion dismissals. While cuts would not force individual organizations to close immediately, individual services would be terminated;
- Cutbacks that affected core operations would lead to a loss of efficiency and accountability. Organizations would experience greater difficulty in complying with their administrative tasks, which include compliance with the Charities Act, 2009, the demands of funders and their good governance responsibilities. Overall their performance would be slowed and their efficiency lost. Their ability to respond to enquiries would diminish.
- It was unlikely that volunteers would be 'able to step into the breach'. The loss of professional staff who recruited, inducted, trained and supported volunteers was more likely to lead to a *loss* of volunteers.
- Cuts would have the deepest impact in those areas where voluntary and community organizations were the predominant providers (e.g. social services) and where state services were most limited. Those most at risk were intellectual and physical disabilities; and local and community development.

1 2010 budget: general

The 2010 budget was presented by the Minister for Finance on 9th December and, along with accompanying the accompanying Social welfare Bill, approved by the Oireachtas. Most of the public attention focussed on changes in social welfare, principally the cut in welfare benefits of -4.1% and the reduction in child benefit.

The government continued the course of its strategic turn of summer 2009 of focussing on spending cuts as the primary means of addressing the financial crisis which began in 2008. As the first paper noted, the government's original intention had been to respond with a balance of two-thirds tax increases, one-third spending cuts and the 2009 budgets had seen the introduction of a small increase in taxes (e.g. holiday homes) and more substantial tax proxies (public sector levies). This balance was changed to almost complete reliance on cuts as the centrepiece of the government response.

The 2010 budget is for the government to spend €54.9bn, a reduction of -1.8% on the forecast 2009 outturn of €55.9bn.¹ This marks an actual fall in current spending, unlike the 2009 budgets which set down an actual increase (between +3.6% and 6%, depending on the reference point used). Now we turn to those budget headings which have the most impact on the voluntary and community sector.

¹ The level of government spending is calculated according to a number of different figures, which included current (net and gross), capital (net and gross) and total (net and gross). Comparisons with previous years are then further complicated by the out-turns of previous years, which may be more, or less, than anticipated, which explains why different figures are used by economists and commentators to calculate and interpret the same sets of accounts. Here, as in the previous paper, the most useful reference point is gross current spending.

2 Measures affecting the voluntary & community sector

Taking each budget line in turn, the following changes *directly* affect the funding of the voluntary and community sector (2.1). We do this according to budgets of broadly descending importance. An important feature to note is that the estimates are displayed according to 'budget line', budget lines having both historical and administrative origins. Some are very large and generic, while others are very small and may affect only one organization (e.g. FLAC, INOU).

Later, we will examine the effect of indirect changes (2.2) and the particular situation of the Community Development Programme (2.3).

2.1 Direct changes

Department of Health and Children

The Department of Health and Children is, through the Health Service Executive (HSE), the largest funder of voluntary and community organizations.

Department of Health and Children

Grants to voluntary organizations (Lottery)	-5%
HSE services	-5%
HSE lottery	No change
Economic and social disadvantage (dormant accounts)	-7%
Childcare programme	-24%
Early intervention programme (dormant accounts)	-13%
Youth organizations	-9%
Youth organizations (disadvantaged projects)	-2%

The 'grants to voluntary organizations' is a small, historical lottery grant organized centrally by the department, worth €3.7m. The -5% figure might be indicative, though, of the department's general expected level of reduction of voluntary sector funding. This impression is confirmed if we look at the HSE allocation across all its regions, the same former health board regions, where a -5% reduction is uniformly applied across its multi-billion allocation (in 2009, the figure was between -3% to -4%, according to region). As the accounts are opaque, we do not know, though, how much of this ends up with voluntary and community groups, so it is possible it may be a higher or lower proportion of the -5%. It is reasonable, though, to regard it as a guideline.

Department of Community, Rural and Gaeltacht Affairs

Next, we come to the second largest funder of the voluntary and community sector, the Department of Community, Rural and Gaeltacht (CRAG) Affairs, both the heart of policy-making for the sector and the pivotal funder of community action.

Department of the Community, Rural and Gaeltacht Affairs

Community and voluntary services	-10%
Community services programme (small grants)	-9%
Local development	-10%
RAPID programme (urban disadvantage)	-24%
Initiatives economic, social disadvantage (dormant accounts)	-50%
Tackling problem drug use	-11%
CLAR (rural disadvantage)	-53%

The first figure is probably the most important one. When this first happened in 2009, voluntary organizations were simply informed that there would be a cross-the-board reduction applied to all organizations (-8%), leaving them to implement as they wished. In effect, this line sets an indicative, headline figure (-10% in 2010). In rural development, LEADER is up +48%, reflecting the programme getting under way, though some other rural development heads are cut.

Department of Social and Family Affairs

The Department of Social and Family Affairs used to be a substantial funder of voluntary and community organizations until most of its funds were transferred to CRAG. The only significant funding scheme with which it was left was the family resource centres, managed by the Family Support Agency.

Social and Family Affairs

Family Support Agency	-9%
PROGRESS programme / dormant accounts disadvantage	-5%

Here, PROGRESS has been combined with the dormant accounts funding to combat economic and social disadvantage. This is an unusual combination of disparate lines, the amount involved being €4.9m. The Family Support Agency funds a hundred Family Resource Centres and this is likely to be applied as a straight, across-the-board -9% cut to each project, each project to implement as it sees fit.

Department of Enterprise, Trade & Employment

The Department of Enterprise, Trade and Employment is a key one to watch, for it includes the 22,000 people employed in the voluntary and community sector on the Community Employment scheme and adjacent schemes (e.g. Jobs Initiative).

Enterprise, Trade & Employment

FAS employment programmes	-5%
Irish National Organization of Unemployed (INOUE)	No change

The 'FAS employment programmes' does not give us a sub-division of this large head (€417m) and the degree to which CE might be affected. A 5% across-the-board reduction, though, would reduce the number of CE places by 1,100 to 20,900.

Department of Justice, Equality and Law Reform

The Department of Justice, Equality and Law Reform is an important funder of voluntary and community organizations, especially in such area as probation services and a number of sensitive policy areas.

Department of Justice, Equality and Law Reform

Free Legal Advice Centres (FLAC)	No change
Grants to women's organizations	No change
Equality proofing	-24%
Cosc (gender violence)	No change
Disability projects	-3%
Social disadvantage (dormant accounts) (justice, prisons)	No change
Probation services	-15%

Increases are evident in the Office for the Minister for Integration (+6%), status of people with disabilities (+26%), gender mainstreaming and positive action for women (+22%) and youth justice (+19%), though they should be set in the context of some substantial reductions the previous year.

Department of Environment, Heritage and Local Government

The Department of the Environment, Heritage and Local Government is a large funder of the voluntary, community and cooperative sector that works in social housing projects for groups like the homeless, older people and people with intellectual or physical disabilities or mental illness.

Department of the Environment Heritage and Local Government

Social housing and supports	-27%
Economic and social disadvantage (dormant accounts)	No change
Community and social inclusion	-13%

The 'social housing and supports' presents a problem of interpretation, for its includes the rental accommodation scheme; local authority housing; and voluntary and cooperative housing. It is a big heading (€829m), but we do not know the degree to which voluntary and cooperative housing will be affected within that budget. Positively, we can note here that estate regeneration, which covers projects in disadvantaged urban communities, is up +25%. For full information here, we must await publication of the unabridged estimates.

Department of Foreign Affairs

The Department of Foreign Affairs is a large-scale funder of voluntary and community organizations in developing countries, with smaller amounts for peace and reconciliation (the International Fund for Ireland) and emigrant services.

Department of Foreign Affairs

Support for Irish emigrant services	-14%
International Fund for Ireland	No change
Development aid	-6% to -8%

As was the case with the previous department, the 'development aid' heading does not give us a breakdown between governmental aid and non-governmental assistance, the 6% being a general figure and the 8% being the figure for humanitarian assistance.

Department of Arts, Sport & Tourism

The Department of Arts, Sport and Tourism is important for its funding of organizations on the cultural and sporting side of the voluntary and community sector.

Arts, Sport & Tourism

Grants for sporting bodies and facilities	-14%
Sports Council grant	-4%
Sport in disadvantaged areas (dormant accounts)	-70%
Arts Council	-6%
Cultural projects and infrastructure	-17%

Figures on dormant accounts should be treated cautiously, for the overall figures available to the dormant accounts collection have peaked. There is a note on this later.

Department of Education and Science

The Department of Education and Science is now a minor funder of voluntary and community organizations (youth organizations were transferred to Health and Children), but important for adult education and specialized programmes for educational disadvantage.

Department of the Education and Science

Adult education organizations	-5%
Contribution to local drugs task forces	-32%
Educational disadvantage (dormant accounts)	-62%

Department of Communications, Marine and Natural Resources

The Department of Communications, Marine and Natural Resources is a minor funder.

Department of Communications, Marine and Natural Resources

RAPID programme (dormant accounts) -68%

Information society and e-inclusion -45%

Department of Defence

Finally, the Department of Defence is important as a funder of the Red Cross.

Department of Defence

Red Cross No change

2.2 Indirect changes

There are two departments where budget line changes *indirectly* affect the voluntary and community sector: Taoiseach and other budget lines for the Department of Justice, Equality and Law Reform.

The Department of the Taoiseach is important because of a number of budget lines, such as NESDO, which is the focus of the contribution by voluntary organizations to social partnership; the Forum on Europe, where voluntary organizations played an important role in shaping the European debate; the Active Citizenship Office, which was charged with developing civil society and volunteering; structural funds technical assistance, which is intended to facilitate the participation of voluntary and community organizations in the structural funds; and Ireland/Wales INTERREG, which has a social inclusion cooperation strand.

Department of the Taoiseach

National Economic & Social Development Office (NESDO)-24%

National Forum on Europe -100% (closed)

Active Citizenship Office -100% ('integrated')

Structural funds technical assistance -17%

Ireland/Wales INTERREG -27%

It is reasonable to note though that the Peace programme, of which voluntary and community organizations are now a minor beneficiary (most now goes to the local authorities), is up +74% as spending accelerates.

Cuts in the Department of Justice, Equality and Law Reforms were especially visible in autumn 2008, with large reductions to the Human Rights Commission (-24%) and the Equality Authority (-43%). Although only the Equality Authority funded voluntary and community organizations and by only a small amount, both organizations were

symbolically and practically important for the equality agenda promoted by voluntary organizations.

Department of Justice, Equality and Law Reform

The Human Rights Commission	No change
Equality Authority	No change
Equality monitoring and consultative committees	-51%

By contrast, increases are evident in the National Disability Authority (+23%).

2.3 Community Development Programme

2009 concluded with the abrupt termination of the Community Development Programme (CDP). This programme dated to the European *Poverty 2* programme (1984-9) which funded a number of local community development projects against poverty, paralleling the development during the same decade of family resource centres, which were informed by a similar ethic and approach. Under the management of the Combat Poverty Agency, the CDP expanded to a programme of 180 projects, typically with a core of 2-3 staff and a budget of €20,000 to €40,000. In the event, many also managed to attract additional funding streams and services, some embarking on intensive and successful local fundraising. The Family Resource Centres (FRCs) followed a similar approach, expanding to a programme of over 100 FRCs. In the upheaval of 2002, the FRCs were located with the Family Support Agency in the Department of Social and Family Affairs, the department's sole funding programme, while the CDP and all other community funding programmes were vacuumed in by the new Department of Community, Rural and Gaeltacht Affairs. The CDP was considered internationally to be a model of good practice.

The government announced at the end of 2009 that the Community Development Programme would close, to be integrated with the Local Development Social Inclusion Programme which funded the local development partnerships and associated projects. As part of this process, 31 projects were selected for closure by year's end, albeit with the right of appeal to officials in the department. The remaining 149 CDP voluntary boards will be wound up, with staff and assets transferred to the partnerships. CDPs do have an absolute right to refuse transfer, but the minister has made it clear that if they exercise this right they will never receive departmental funding again. The department's political agenda was especially evident in the identity of the projects selected, many being the most critical and successful in the programme.

The closure of the 31 projects will lead to the immediate loss of a minimum of 60 to 100 posts, probably more granted the fact that some projects also provided additional services. The remaining 149 are in an insecure state, the staff having no protection from their dissolved boards and the government has not indicated if it will apply the European Transfer of Undertakings directive. To complicate things, they are transferred into a programme that has been cut -10%.

2 Analysis and impact of changes

Changes in the 2010 budget come with the health warnings that first, the full detail of these changes is not yet known and, second, in some areas, the full detail will never be known because accounts are not disaggregated between statutory and voluntary services (the largest funder, the HSE, being a case in point, social housing another). The main points evident, though, are:

- The headline figure for the reduction of funding in the voluntary and community sector is in the range of 9% to 10%. This is the typical percentage which recurs most frequently. This figure nevertheless contrasts with the national budgetary cut of only -1.8%. The view that the voluntary and community sector has been identified for disproportionate attention in cuts is not a polemic, but a factual observation.
- In the case of the health services, where the largest single amount of funding goes to the sector, the headline figure is likely to be lower, closer to 5%.
- In the case of the community sector, the overall impact of cuts may be higher than the 10% figure. Several programmes which are especially peopled by the community sector have been more severely hit (RAPID, programmes against drug abuse being the best examples).
- Examples of extreme cuts of the type witnessed in 2009 (e.g. Equality Authority) are less in evidence. Except for the community sector, it is possible that the main round of the settling of political scores was considered achieved in the two 2009 budgets. Some budget lines that were especially severely cut in 2009 have been left 'as is' in 2010. The application of cuts was more consistent and even in 2010.
- The government's political agenda for the reconfiguration of the community sector has continued, as witnessed by the closure by the Department of Community, Rural and Gaeltacht Affairs of the Community Development Programme. The 2011 budget will be crucial for the 64 national organizations currently funded the department and which it intends to terminate, without replacement.

In a number of cases, the picture is complicated by dramatic reductions in the funding available from dormant accounts. Whilst this may reflect reduced availability from these accounts, these reductions are dramatically higher than one might expect. It is possible that in practice the government has other intentions for the remaining accounts: either mainstreaming them into government funding (as recommended in the McCarthy report) or holding spending back until another time.

In the first paper, we predicted that cuts would lead to job losses which were outlined under a series of different percentaged scenarios (5% to 25%). The analysis of the cumulative effect of the funding cuts for the voluntary and community sector over the two years 2009-2010 is broadly in the order of the 15% mark. Our thinking is shaped by two factors:

- Indications that the level of cuts in the largest single funding area, the HSE, are at the low end of this scale, in the order of -5%, on top of a -3% to -4% drop in 2009;
- Knowledge that cuts in the main voluntary sector are in the 18% to 20% range, possibly higher in some cases (e.g. community organizations, social housing).

Since presenting the first paper, new information has come to light which gives us a more accurate method by which to calculate how cuts translate into employment loss. This gives us a somewhat lower but likely more accurate figure than projected in the first paper.² The cumulative effect of a 15% funding loss translates into a loss of 4,778 jobs (this does not include a potential CE loss of 1,100 scheme posts).

We also need to take into account the following:

- The evidence from Northern Ireland is that, in the course of an economic contraction, voluntary and community organizations will go to some lengths to avoid dismissing staff. Organizations deployed three main strategies to avoid this: non-renewal of posts, especially temporary and contract positions (which may be relatively invisible in the figures); deferral of pay increases; and the using up of reserves (hardly an option here). In the Republic, voluntary and community organizations have been absorbing the sharper and more abrupt cuts through more drastic remedies, such as pay cuts (in the order of 10% to 20%), reductions in benefits (e.g. pensions); 3-day working and cuts in operations (travel, publications).
- The experience of Northern Ireland suggests that cuts do not lead to mass extinctions of voluntary and community organizations. What it does suggest is that operations become curtailed, new services are shelved or abandoned and organizations operate at far below their potential effectiveness. Medium-size organizations suffer most, having less capacity to absorb cuts than large ones, while the smallest have the least dependance on state funding.
- The Northern Ireland experience is unable to help us in three important respects. First, there is a point at which voluntary and community organizations cannot absorb deep cuts without losing staff. Such limits may already have been reached. Second, the contraction in Northern Ireland was not accompanied by a sudden social crisis which imposed fresh demands on voluntary services. Third, the Northern Ireland contraction was not accompanied by a government intention to disempower the policy contribution of the sector.

² In Northern Ireland, we now have information on the staff loss that has accompanied the long-term contraction of the voluntary and community sector since 2001 attributable to the reduction of European funding from that date. From 2001-7, funding of the sector fell from £657m to £570m, down -13.2%. This led to a reduction of staff from 28,932 to 26,737 or -7.6%. This gives us a formula to calculate the degree to which financial loss leads to staff loss 57.6% (for simplicity, we will even this up to 60%). Previously, in the first paper, we had used a rule of thumb formula of 80%, based on the notion that human resources accounted for 80% of a typical organization's spending. The Northern Ireland figures are considerably more accurate and robust than anything available here and should be treated as the most reliable guide available. Source: Northern Ireland Council for Voluntary Action: *State of the Sector V - Northern Ireland voluntary and community sector almanac, 2009*. Belfast, author, 2009.

The last two points merit elaboration. First, there is evidence that voluntary and community organizations are meeting much increased demand. Such evidence comes from the annual reports and pre-budget submissions of voluntary and community organizations, as well as media commentaries, which note:

- Much increased demand on services from traditional groups relying on food services, food parcels, cash and aid in kind (e.g. Capuchin meal centres; Society of St Vincent de Paul);
- The emergence of fresh demand arising from newly unemployed people and the victims of money-lending debt and mortgage arrears.

Second, voluntary and community organizations have drawn attention to what they consider one of the least initially visible but most subtle and damaging effects of cuts, which is their reduced ability to represent their clients and beneficiaries. Voluntary and community organizations under ever more extreme financial pressure are naturally likely to focus on maintaining client services as 'the last thing to go', albeit at the cost of policy and representational work. As a result, posts and operations in the research and policy area are likely to decline first.

In summary, we can predict the following outcomes of the cumulative effect of the 2009-2010 budgets for the voluntary and community sector:

- The overall contraction of the voluntary and community sector over 2009-2010 is likely to lead, by mid-2011, to a sector about 15% smaller than it is now. Those areas least affected are organizations providing health and allied social services (the largest element). The area most affected is community development.
- Voluntary and community organizations will endeavour to absorb cuts through a series of measures and responses that will avoid dismissals and redundancies. Nevertheless, we can expect a loss of in the order of 4,778 jobs, with an additional 1,100 posts at risk in Community Employment;
- The impact on the voluntary and community sector works itself through at a number of different levels: reduced capacity and outputs at a time of much increased pressure on services and social distress, 'trying to do more-with-less' with the consequential strains and stresses that arise;
- A likely consequence is a reduced policy and representational capacity for the sector, which may be one of the purposes of government in applying such differential savings. There will be a loss of voice. In a country which has the lowest level of social protection in western Europe, the civil society voice for an enlightened social policy will be even smaller in the future.

4 Some key information to inform a campaign

- There are about 6,100 voluntary and community 'charitable' organizations in Ireland;
- The estimated level of employment in the sector, prior to recent budgetary changes, was 53,098 (full-time equivalents).
- The value of the voluntary and community sector to the economy is €6.5bn. The level of state funding is in the order of €1.89bn. The financial value of volunteering to the Irish economy has been estimated at between €204m and €485m.
- Voluntary and community organizations are key deliverers of services in the areas of social services (e.g. children, older people), social housing, helping the homeless and hungry, development aid, services for people with intellectual and physical disabilities, community development, assisting people in deprived urban and rural communities, women, sports and recreation, the arts, labour market integration (training, helping unemployed people) and assisting disadvantaged groups (e.g. Travellers, lone parents). This role has repeatedly been validated by government (e.g. *The developmental welfare state* by the National Economic and Social Council);
- The economic crisis which broke in autumn 2008 has presented fresh demands on voluntary and community organizations, not only in traditional areas such as the need to help people with cash, shelter, food and food parcels, but in new areas such as money-lending debt and mortgage arrears;
- The government reduced the rate of increase of state spending in 2009, when there was a national budget increase of +6%; and reduced state spending in 2010 by -1.8%;
- At a time when the state budget *increased* overall, budgets for voluntary and community organizations were *reduced*. The headline cut for voluntary organizations was between 18% and 20% over 2009-2010. The levels varied, being lower than this for social and health services, but higher in the area of community development. The Community Development Programme was closed;
- Overall, we can expect the voluntary and community sector to contract by about 15% in two years. In employment, we can expect a loss of in the order of 4,778 jobs, with an additional 1,100 posts at risk in Community Employment;
- Many state organizations important to the work of the voluntary sector and concerned with social policy were closed, merged, abolished or integrated (e.g. Combat Poverty Agency, Office of Active Citizenship). Others were severely cut (e.g. Equality Authority, Human Rights Commission).
- Voluntary and community organizations will endeavour to absorb cuts through a series of measures and responses to avoid dismissals and redundancies. Nevertheless, their performance and outputs will fall as they attempt to do more with less and respond to the social distress that follows economic collapse. They will be less and less able to meet the new accountability requirements of the Charities Act.
- Contrary to some popular belief, volunteers cannot simply step into the breach. A well-functioning volunteer force is dependent on professional staff to recruit, induct, train and retain staff. Cuts are, if anything, more likely to lead to a *loss* of volunteers.
- The social policy and representational capacity of the sector will be sharply reduced. The civil society voice for an enlightened social policy will diminish.

Implications of budget cuts for voluntary and community organizations

Background

- Voluntary and community organizations in Ireland date back over a hundred years. Voluntary and community organizations in such areas as the Irish language, culture, the arts, women's rights, credit banks, housing, health and rural development helped to establish the Irish state. They remain an intrinsic and relatively unique feature of modern Irish society.
- Nowadays, voluntary and community organizations work in partnership with the public services to provide quality, targeted, specialized services. They complement public services in such areas as social housing, helping the homeless and hungry, social services (e.g. children, older people), development aid, services for people with intellectual and physical disabilities, community development, assisting people in deprived urban and rural communities, women, sports and recreation, the arts, labour market integration (training, helping unemployed people) and assisting disadvantaged groups (e.g. Travellers, lone parents). They help the state in its task of delivering 'human face', user-friendly services. They have evolved into professional, quality services and are not a cheap alternative. Growing numbers of volunteers are involved, contributing to the government ideal of 'active citizenship'.
- There are about 6,100 voluntary and community 'charitable' organizations in Ireland. The estimated level of employment in the sector, prior to recent budgetary changes, was 53,098 (full-time equivalents). The value of the voluntary and community sector to the economy is €6.5bn. The level of state funding is in the order of €1.89bn. The financial value of volunteering to the Irish economy has been estimated at between €204m and €485m.
- Until very recently, there was a strong national consensus valuing the important role of voluntary and community organizations working with the state in partnership with the public services. This consensus was given structural recognition through social partnerships, which also articulated a new vision of public service provision involving close collaboration between the public and the community and voluntary sectors. (e.g. white paper: *Supporting voluntary activity*, National Economic and Social Council: *The developmental welfare state*). In the last few years,, though, the government has sought to redefine and reconfigure the boundaries between the state, the public services, and voluntary and community organization away from this consensus, seeing voluntary and community organisations as an easy option to cut, especially those that are most critical of government policy.

Cuts

- The economic crisis which broke in autumn 2008 presented fresh demands on voluntary and community organizations, not only in traditional areas such as the need to help people with cash, shelter, food and food parcels, but in new areas such as money-lending, debt and mortgage arrears, as well as the unemployment.
- Over 2009- 2010, when the state budget *increased* overall, budgets for voluntary and community organizations were *reduced*. On the state side, government spending

rose +6% in 2009 and is due to fall -1.8% in 2010. On the voluntary and community side, the headline cut for voluntary organizations was *between -18% and -20%* over 2009-2010. The levels varied, being lower than this for social and health services, but much higher in the area of community development. The Community Development Programme was closed down as an independent programme, with plans for much of the activities carried out previously through it to be subsumed into area partnerships. . The degree to which voluntary and community organizations has been disproportionately hit has been little realized.

- Overall, we anticipate a contraction in the voluntary and community sector of about 15% in two years. We know that voluntary and community organizations are endeavouring to absorb cuts. Most staff in voluntary and community organizations have taken pay cuts similar to those in the public services or gone on 3-day weeks. Organizations have reduced their services, costs and activities, but there are limits as to what can be done without facing the inevitability of dismissals. *In employment terms, we can project a loss in the order of almost 5,000 jobs (4,778 jobs by our model), with an additional 1,100 posts at risk in Community Employment.* These are cautious and conservative projections. The people effected are skilled professionals, with years of experience and commitment, vital qualities for modern social and public services.
- Many state organizations important to the work of the voluntary sector and concerned with social policy were closed, merged, abolished or integrated (e.g. Combat Poverty Agency, Office of Active Citizenship). Others were severely cut (e.g. Equality Authority, Human Rights Commission).

Implications

- The performance and services of voluntary and community organizations will fall as they attempt to do more with less and respond to the social distress that follows economic collapse. The consequences for those assisted by voluntary and community organizations are especially worrying. Services available for unemployed people, the homeless, those threatened with re-possession, those in need of cash and food, as well as the routine needs of other groups (e.g. people with disabilities) will be reduced. The impact will be most severe for disadvantaged groups and communities. An important part of the picture of the delivery of public services - and especially its human face - will be lost. Long-term financial projections by the Department of Finance to 2012 indicate that differential cuts will continue to apply to voluntary and community organizations.
- Contrary to some popular belief, volunteers cannot simply step into the breach. A well-functioning volunteer force is dependent on professional staff to recruit, induct, train and retain staff. Cuts are, if anything, more likely to lead to a *loss* of volunteers.
- The ultimate outcome is that the ability of voluntary and community organizations to represent those most in need, their social policy and representational capacity, will be sharply reduced. The civil society voice for a more enlightened social policy will diminish and be ever smaller. A model which served this country well has now been broken. It is essential to force government to realize the disastrous consequences of its actions in this area, and to seek a return to the policy towards the community and voluntary sector envisaged in national policy as set out in the White Paper and the NESC report, *The Development Welfare State*