

## [The Giving Green Paper](#) [1]

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Just after Christmas, the government published the Giving Green Paper, a foundational document for David Cameron's "Big Society." From a libertarian perspective the Green Paper contains some encouraging language. It states that "social action is not something that government can, or should, compel people to do; it has to be built from the bottom-up, on the back of free decisions by individuals to give to causes around them"; that the government seeks to "empower communities. by giving people the power to really change things in their local area," and that those in power have finally "acknowledge(d) the limits of government."

Unleashing the creative and philanthropic potential of the ordinary citizen, the paper argues, is the best way to create a better, fairer, and more just society. However, before this can take place, a kind of cuddly paradigm shift the paper refers to as a "cultural change" must first occur. Francis Maude, Cabinet Office minister, illustrated this when he lamented the fact that charitable giving is not a cultural assumption: "for some things there's an absolute social norm that if you go to a restaurant you expect to tip somewhere probably between 10% and 15% and that's kind of an understanding. There's no similar understanding with charitable giving."

While noble, though, these sentiments are not grounded in reality.

First, when one goes into a restaurant, the giving of a tip is not an absolute social norm. It is, at least the way I see it, primarily a gesture of one's financial well-being directed at the pretty brunette across the table. Or a discretionary reward to one's waiter, to be withheld in the event that the service is subpar.

Second, these appeals from the Government to give more come across as hollow, given what it is actually asking taxpayers to do. In England, what is and what is not charitable has a statutory definition. Per the Charities Act 2006, "charitable purposes" are defined as, among other things: the prevention or relief of poverty; the advancement of education and health; community development; the promotion of religious or racial harmony, equality and diversity; the promotion of the efficiency of the armed forces, police, fire-rescue and ambulance services; and the relief of those in need. In other words, the Government is asking the citizen to make contributions in areas in which the state is already very active, and indeed where the state is more active today than at most points in British history.

Britain is a welfare state, and this year stands to be *annus horribilis* for the British taxpayer. Government forecasts for FY 2010-2011 estimate that HMRC's gross receipts will be £441.7bn; 52% of which, £230.9Bn, will be paid by British wage labourers and consumers (as £150.2bn in Income Tax and £80.7bn in VAT). Compare this with the £270bn the Government estimates will be spent on social services and debt service alone (£226bn and £44bn, respectively) and one begins to get a picture as to why British taxpayers

are reluctant to give to charitable causes: they are giving quite enough already.

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