



CENTRE FOR
VOLUNTARY
SECTOR
STUDIES



TED
ROGERS
SCHOOL OF MANAGEMENT
RYERSON
UNIVERSITY

CENTRE FOR VOLUNTARY SECTOR STUDIES

The Evolving Relationship between Government and the Voluntary Sector in Ontario¹

Agnes Meinhard, Mary Foster, Ida Berger and Louise Moher
Centre for Voluntary Sector Studies, Ryerson University

Working Paper Series
Volume 2003 (2)

350 Victoria Street
Toronto, Ontario, M5B 2K3
Tel: (416) 979-5000 x 6739 / Fax: (416) 979-5124
cvss@ryerson.ca
http://www.ryerson.ca/cvss/working_papers/

¹ This research was supported by a grant from the Social Sciences and Humanities Research Council. We also acknowledge support provided by Ryerson University's Academic Research Assistant Program.

Introduction

In this paper, we investigate the evolving relationship between government and voluntary organizations in Ontario that is occurring in the wake of a prolonged period of funding cuts. The cuts are a manifestation of a major philosophical shift in government-third sector relations. We have already examined the impact of this shift on voluntary organizations in several papers (Foster and Meinhard, 2002; Meinhard and Foster, 2003a & b). We now turn our attention to the government sector and its vision for the future.

The past two decades have seen a steady accumulation of research examining the role and function of the voluntary sector in a democratic state, and its relationship with government (e.g. DiMaggio and Anheier, 1990; Kramer 2000; Kuhnle and Selle, 1992; Salamon, 1995; Van Til, 1988; Wagner, 2000; Young, 2000;). Van Til (1988) noted that the functioning of the voluntary sector reflects the prevailing philosophies of state. This was reinforced by the findings of Salamon and his colleagues (1999) who discerned a correspondence between a country's historical and social context and the way in which its third sector operates. The changes currently taking place in Ontario provide us with an opportunity to document and analyse the process of this isomorphism¹.

In Canada, the post World War II years saw the growth of the third sector mostly along the lines of a complementary relationship between voluntary organizations and government. This was the natural expression of the pluralist, liberal social welfare philosophy prevailing at the time (Scott, 1992; McBride and Shields, 1997). Since the mid-1980s however, the pluralist, social welfare conception of State is being replaced by a neo-conservative philosophy (McBride and Shields, 1997; Jeffrey, 1999). Devolution of government services has been accompanied by changes to the way in which nonprofit organizations are funded and are expected to compete (Pal, 1997).

The purpose of this research is to investigate the emerging relationships between the provincial government and the nonprofit sector in Ontario. In-depth interviews were conducted with 17 government bureaucrats from six different ministries that deal with nonprofit organizations. This paper, based on a preliminary content analysis, outlines three key themes that were uncovered in the interviews: increased demands for accountability; a "brokering" role for the ministries in policy formulation; and various forms of partnerships.

Setting the context

In the first three post-war decades, aided by newly adopted Keynesian economic policies, Canada was enjoying unprecedented economic growth. Still in the shadow of the Great Depression, the government felt it could afford to become more heavily involved in the social welfare of its citizenry. By the mid-1970s the federal and provincial governments in Canada had largely completed the construction of the social welfare system (Johnson, 1987). Under this structure, nonprofit organizations, in collaboration with the government, were part of an elaborate system that extended educational, health, social cultural and recreational services to the public. Successive Liberal governments, philosophically committed to universal social welfare, rounded out the welfare state with the enactment of a national pension and medicare plan. The

welfare state represented not only the accomplishment of a social safety net to mitigate the ravages of economic downturns; it also became an instrument of unification and equalization (Smardon, 1991; McNiven, 1996; Tester, 1996; Rekert, 1993; Drache, 1995).

The erosion of the social welfare state began, imperceptibly, in the mid 1970s. As the economic recessions of the 1970s and 1980s hit, "liberal policy making stumbled between Keynesian logic and an emerging neo-classical economic sensibility" (Tester, 1996:20). With the election of a Conservative government in 1984, Keynesian economics, along with the goal of full employment, was abandoned, to be replaced by a market economy (Rice & Prince, 2000; Tester, 1996; Smardon, 1991). Social programs were cut, and programs of privatisation and fiscal restraint were pursued.

Both the Conservative and the Liberal governments of the last two decades have been stealthily, and steadily, whittling away at the Welfare State (Tester, 1996; Rice & Prince, 2000). With diminished federal funding, the provinces have downloaded responsibilities and cut social spending, expecting the voluntary sector and community networks to fill the vacuum, without increasing their grants. These cuts "seriously reduced the capacity for voluntary agencies to provide services" (Rice & Prince, 2000:113). Paid positions were lost and recruitment and training had to be curtailed. Forced commercialization, introduction of fees for service, adoption of business practices, and marketing and fundraising strategies, led to mission displacement. A sense of vulnerability reduced the role of advocacy and networking for policy changes (Rice & Prince, 2000; Meinhard & Foster, 2000). Competition has increased as the commercialisation of public welfare services forced nonprofit service providers to compete with for-profit service providers for government contracts. Clearly a realignment is taking place between the state and civil society (Pal, 1997). Government is disengaging from some of its associations with nonprofit organizations but at the same time is re-engaging with other components of the social service system. Moreover, while on the one hand government has cut down on the channeling of direct tax dollars to the third sector, on the other hand, it has altered its tax policies to encourage greater charitable giving (Pal, 1997). Both of these policies have placed an increasing burden of competition on nonprofit organizations.

In 1999 we surveyed 645 voluntary organizations from across Canada, 181 of which were from Ontario, to explore their perceptions of, attitudes towards, and actions taken in response to, these policy shifts. The findings of this survey are reported in a number of studies (see...) The data indicate that voluntary organizations are dissatisfied with the current state of affairs. They see the gap between the haves and the have-nots expanding. They complain that provincial governments are acting alone and not obtaining community support before making policy changes and that corporations are not making the voluntary sector a donating priority.

As a result of the devolution, organizations feel an increased demand for their services from client groups, more pressure to be accountable and provide measurable outcomes, and the need to make better use of staff skills. Overall, this has led to an increased sense of vulnerability. As responsibility for service delivery is downloaded, voluntary organizations are challenged to keep up with demand. At the same time funding cuts have reduced the range of options open to them to deal with the increased client-base.

In terms of specific actions, many voluntary organizations have adopted a proactive approach. The most frequent responses have been to increase their focus on marketing activities and public relations, to work more closely with other organizations and to diversify their funding sources. The least likely responses have been cost-cutting and efficiency measures; reducing staff and cutting back on services.

The current environmental situation also shapes the organizations' view of the future. They believe there will be more collaborations, more involvement in commercial ventures, more political action, more government control and more focus on management control, marketing and entrepreneurship. Overall, they are very pessimistic. They believe that this trend will continue and therefore the situation for marginalized groups in society will only get worse.

There is a perception among sector leaders that the current situation marks a clear movement away from the complementary model that informed government - third sector relations in the latter half of the 20th century (Meinhard and Foster, 1997 & 2000). However, it is unclear at this time what relationship will finally emerge. The movement for government to reinvent itself, with an emphasis on alternative service delivery systems, has encouraged the state to seek a new model with the voluntary sector. Part of the 'reinventing government' movement is, in fact, about a "celebration of voluntarism and the community" (Pal 1997:93). The forging of new partnerships between governments and nonprofits expresses the desire to build social capital by encouraging volunteers active in nonprofit organizations "to play a part in the delivery of services and to empower partner organizations and their members" (Seidle, 1995:139). There were, however, no formal mechanisms to nurture these partnerships and both sides were dissatisfied with the *ad hoc* nature of the relationship. Following the lead of other countries, the federal government has recently signed an accord with the voluntary sector which "represents a public commitment to more open, transparent, consistent and collaborative ways of working together" (http://www.vsi-isbc.ca/eng/joint_tables/accord/the_accord_doc/doc10.cfm).

Methodology

Sample

The sample consists of respondents from five Government of Ontario ministries that have substantial dealings with the nonprofit sector. We contacted key administrative officials in each ministry. The objectives of the study were explained to the officials and they were asked to suggest the best way in which to contact those in their ministries who were most closely involved with the nonprofit sector. Each ministry handled our request in different ways, but they were all cooperative. The resulting sample of 17 respondents included deputy ministers, assistant deputy ministers, regional directors, and front-line supervisors.

Interviews

In-depth, elite interviews were conducted according to guidelines set by Holstein and Gubrium

(1995). All but one of the interviews took place in the offices (or boardrooms) of the respondents. Two interviewers were present at each interview. Interviews lasted from an hour to an hour and half and were recorded. One interview, also recorded, was conducted over the phone. The issues probed in the interviews included: the perception and interpretation of the sociopolitical changes occurring in Canadian society; the general direction in which the voluntary sector is moving; the roles of government, voluntary and for-profit organizations in this new sociopolitical configuration; the interaction of the three sectors in the future; the way in which policy is developed; current and proposed strategies regarding the delivery of social services and the support of cultural and recreational activities.

Analysis

The interviews were transcribed. The transcribed interviews were content analyzed by two separate raters. The content analysis was carried out at two levels. First, answers to the specific questions asked in the interview were recorded and summarized. At a deeper level, themes that cut across all interviews were identified. In this preliminary analysis, we will discuss the following three themes that were identified by both raters: increased demands for accountability; a “brokering” role for the ministries in policy formulation; and various forms of partnerships.

Findings

Some general comments are in order before we begin reporting on the individual themes. We found that the respondents were extremely generous, not only with their time, but with their ideas as well. Assured of the confidential nature of the interviews, they were candid and forthcoming, as willing to point out their weaknesses as they were their strengths. Their dedication to their jobs and their stakeholders is evident in their answers. Taken as a whole, these interviews convey a caring and forward looking civil service in Ontario.

Theme 1. Increased demands for accountability

A major shift in government philosophy occurred with the 1995 election of the Progressive Conservatives. The new government, elected on a platform of reducing deficits by making government more efficient and business-like, immediately initiated a new business planning process for all of its ministries.

The business plans were...multi year commitments on how ministries would achieve their fiscal targets and implement new policy directions and measure performance. Business planning took on a whole new importance and transparency... Ministries were made accountable for producing business plans, for implementing them and for accounting for the results they would achieve through specific performance measures. (Transforming Public Service for the 21st century. Ontario Public Service Restructuring Secretariat, Cabinet Office, 1999: 20).

From our interviews, it is clear that our respondents see this movement towards government efficiency and accountability as a priority not only for their own internal practices, but also as a requirement for their nonprofit clients.

This government has been very clear on its commitment on accountability to taxpayers on how their tax dollars are being spent. And that has led all of us to be accountable for our programs and that means knowing what your programs are doing, not just how many dollars you are spending. But there has been a real emphasis on performance measures. (009)²

The public is holding us so much more accountable for how taxpayers' dollars are spent. So as we give those dollars back to organizations, we have to be able to prove that there was an open reliable process to determine who gets the dollars and there's a good accounting of how that dollar is spent...If we spend a dollar it has to be clear what we're doing for that dollar. (003)

We have the responsibility to hold those that we give money to accountable, as we hold ourselves accountable for the money that we have the responsibility to manage. (001)

Accountability requirements are not standardized across all ministries, nor even within certain ministries. Comparing extremes, one respondent provides examples contrasting a highly regulated service with one in which there are no rules to follow at all.

And there's actually quite a ring binder that describes in detail how... workers are to make a determination about whether or not [someone] is at risk; because [they] have huge powers to intervene in the lives of [people] if they are considered to be at risk. So there is quite a prescriptive approach... in our accountability standards we would be setting out very clearly what we expect of them in terms of complying with whatever the relevant terms and conditions and protocols might be. And from time to time we would go and do audits, operational reviews, spot checks, file reviews if we think that's appropriate...and [make sure] all of the kind of safeguards that we have in the system are being followed. Contrast that with something that would be considerably less regulated [where] we are not prescriptive about what you say, how you handle a situation like that. We are concerned to make sure that those [people] are protected and that their services are accessible and all those kinds of things. But it's not such a prescriptive framework. (007)³

Another respondent claims that there are few rules with respect to controlling behaviour.

Just don't screw up. Don't create a political problem that's all. (005)

However, when it comes to money, this same respondent indicates that there are

...very specific accountability rules. We have what we call guidelines for transfer payment agreements that we have to follow, so the payment has to be structured in a certain way. There have to be reports back about how the money was used. And there has to be some audit in terms of how the money was used and there is some delegation of authority in terms of I can only sign of up to a certain amount, if it exceeds that than it has to up the ladder and that kind of thing. So it is very clear due diligence rules that are audited by the provincial auditors, so they are very strict. (005)

Despite emphasis on accountability, according to some respondents, accountability is often lax. For instance, one respondent points out that unless some major, negative press attracting incident took place, there is little likelihood that an organization would lose its funding.

There aren't many measures in place, quite frankly, to measure much more than health and safety. So there is a great deal of work to be done now in resolving this accountability dilemma that government has. (010)

One way to resolve this dilemma is to search for methods of measuring performance, not only vis a vis individual agencies, but also across entire programs.

...we've had to work pretty hard at figuring out, at a big pre-program level, getting good meaningful performance measures that are going to tell taxpayers that we are paying for that program so what is it doing. (009)

Creating performance measures is best left to the agencies to work out for themselves.

The real answer in my mind is to allow some of these sectors to develop standards of their own and to be accountable for their own adherence to the standards they set. (010)

Some of our agencies are very innovative. They are very committed to measuring outcome and making sure that they are getting the outcomes for their clients that they want. (009)

There is some controversy as to just how much control the government should be exerting. Some respondents think that it is necessary for government to keep closer tabs, especially in light of new "governance-in-accountability" framework.

We certainly tightened up the requirements of an organization. And that's certainly created some concern, no question about it, but our feeling is that if we're going to be giving government dollars then we want to ensure that they're spent efficiently and effectively. (003)

Others fear that the government is trying to exert too much control.

I think it is to the government's serious disadvantage to try [to exert more control], because as soon as they start exerting more control you take more ownership, the more ownership you take, the more accountable you are for anything that goes wrong. And it's to the government's advantage to make sure that there is a lot more distance between them and the groups. (005)

Along these lines, one respondent sees an interesting paradox occurring. He points out that in the past, one of the advantages of creating partnerships with the nonprofit sector was to distance the government from the accountability of providing direct services. Now however,

...what's become increasingly evident though is that as government sets more standards, policies, and monitors more closely, in direct proportionality, it attracts political accountability back on its own. So we are in a very interesting cycle right now where government, even though we are buying services from so-called third parties, in fact attracts all the political accountability. (010)

Still other respondents worry that accountability requirements are too onerous for smaller organizations receiving relatively small amounts of money.

we are spending more time worrying about the family who gets \$3000... than we are with those who get lots more money. (008)

We ask for a lot of information, sometimes for a small amount of money....If there was something I would like to see it might be something wonderful to see government-wide projects to try and reduce some of these reporting requirements. (004)

There is a question of where that balance between accountability and autonomy finds itself. Let me give you an example, we give welfare families \$700-\$900 a month, we don't know what they spend it on either. The real question is – do we need to know? . .I mean if you are giving an organization to provide services for you, 12, 15, \$27 million dollars a year, you want some accountability. (010)

Another form of accountability mentioned by a couple of respondents is the idea of greater accountability of organizations to improve their organizational capacity. The question of balance comes up here too.

The view starting to drift into the public sector is that you just can't keep on giving money to organizations and have them use it for their own purposes. The organizations who see government funding should use that money to either improve their old capacity for operations or improve their old capacity to a) attract more volunteers or b) to generate more revenues of their own... there's an increasing desire for organizations to report back how they leveraged the government funds. (002)

Now we do get a bit of that from our own agencies, saying “Hey guys, you’re telling us you want us to be more self-reliant and do more partnerships and more self-generated revenue. At the same time, you want closer accountability relationships...” So there’s that duality. (017)

Clearly there is an attempt in government ministries, in accordance with their own new procedures, to tighten accountability standards for the agencies in their purview. Most of the respondents feel that these standards of accountability should be drawn up by the agencies themselves or in partnership with them. There is, at the same time, a fear that greater stringency will hold the government accountable for more than just monetary spending, thus eroding the independence of agencies and putting the government once again into a – borrowing a metaphor used by one of our respondents (007) – “rowing” rather than “steering” role.

Theme 2. Brokering role in policy making

One of the findings of the cross Canada survey completed in 2000 (M&F) was that leaders of voluntary organizations were unhappy about the lack of consultation before major policy changes were introduced and implemented. So, we probed our government respondents about how policy is made and implemented. There is broad agreement among them that the sector wasn’t formally consulted with respect to the changes introduced by the Progressive Conservative government from 1995-1999,

In the first 4-5 years they moved very quickly to implement their agenda and they openly said that they did not want to get bogged down in consultation with single interest groups, they were going to run roughshod over special interests and they were not going to be held hostage. (005)

This government does not believe in consultation. This government knows what it wants to do. First of all it had the “Common Sense Revolution,” it had consulted with everybody that it needed to consult with [before the elections] and it did the things that the platform said. (008)

You know, I probably think it is fair to say that there is less consultation and less expansive consultation. Fewer white papers and green papers and that, than there used to be in the old days. I think that’s true to say, but it’s hard to judge. (009)

There has been no interest [to consult], really has there? We consulted at the ballot box. There is no attempt to build consensus, absolutely none. By and large it’s ad hoc if it happens at all. As you know most policy initiatives that have been implemented in the last few years have been driven politically. In one fashion there was broad public support for much of what the government did. It was in selected pockets and it wasn’t through any kind of informed consultative process. Lets find our supporters and speak to them and lets avoid the other guys. (010)

Some respondents feel that consultation does take place, but not as broadly as it should, nor in a timely manner.

Sometimes we don't consult as broadly as we perhaps should. Sometimes we do but we tend to do that with umbrella organizations. (003)

Consultation comes in different stages and at an initial stage there would probably be little formal consultation. The consultation normally would take place after the government had indicated it wanted to do something. (004)

Others see some disadvantages to over-extensive consultations.

So I'm an advocate of saying - yea well you consult here, but at some point it's the government's job to actually act on behalf of the broader good and if that means ruffling feathers then so be it. I think there is a lot of value in decisiveness as opposed to a paralytic government that can't broker between interests. (005)

Despite this lack of formal consultation, what emerges from the interviews, is a picture of the ministries acting as a broker between their nonprofit stakeholders and their political bosses.

So in a way government [i.e. the ministry] is a body that can be there to help understand and mediate in a number of issues and look at things from a bigger policy perspective and understand things in a different prism. (001)

This same respondent explains her brokering role using the metaphor of a flashlight. The political echelon decides new policy initiatives. She sees her role as helping the agencies she deals with take advantage of the opportunities presented by the new initiatives. She likens policy to the circle of light made by a flashlight. Some organizations are ready to take advantage of the new initiatives announced by the government, as the light shines right on them, but there are others that may need help adjusting to the new conditions. These are the ones at the edge of the light, according to her metaphor, and it is her role to help them take advantage of the new initiatives.

I may want to shine the flashlight here personally because I have my own beliefs, but the flashlight's not there right now... I can't do anything to make the flashlight go here but I can watch where the light is shining and... think strategically about how to fit [the agencies] into the light. That's the way it's done and that's where at the end of the day, you just wait for the flashlight where there's an opportunity right at the edge of the light. (001)

Brokering can at times simply be a mellowing of the message. As one respondent explains, some of the new policies may seem harsh on recipients of government aid, so it is the Ministry's role to interpret the new programs in a more palatable way.

How the program got sold politically by a cabinet minister politically was – “we are going to get these fat [people] off their duffs from in front of the T.V. and we are going to put them to work and we are going to make them go back to school or we are going to cut them off.” So I guess the challenge for people like me working in the field is understanding that [we have to do our] level best to make these programs meaningful, notwithstanding lots of the political rhetoric and the appeal to the lowest common denominator in people’s worst instincts. So in Ontario, a lot of good work has been done notwithstanding the mean spirited way in which some of these reforms have been sold. There is a huge polarity in the society and...enough said. (010)

Another respondent concurs that it is their responsibility to convey policy and facilitate to help their agencies implement it.

If you have a good relationship, particularly at the ministry level, most of them understand that it is the government of the day that leads policy. They provide the policy and it’s our job to implement it. Most organizations understand that... Quite often we’re facilitating, whether it’s activities in advance, or there may be some problems or issues in particular sector, then we’re working with that sector. (003)

Facilitation often results in bi-directional learning.

The kind of approach that we’ve taken with the volunteer sector is very much a facilitation approach and dialogue and providing opportunities for dialogue. And taking some of the learning from that in developing programs. But there’s always a lot of back and fourth. (004)

Others see their role as the representative of the government.

It’s my job as an Ontario public servant obviously to represent the government to these groups. And I’m not going to do anything fast or loose that embarrasses the government or whatever but I’m gonna be straight forward in explaining ...what the government policy is, how it affects them and carry their message back to decision makers and try to connect the two of them. (006)

However, they also represent their stakeholders’ interests to the political echelon.

Obviously its our job to bring certain issues to the attention of government with option and advice on how to deal with those issues. You normally try to tailor it in such a way that it fits the overall program, so that it’s not a major ideological clash or that kind of thing. But you do have to provide honest advice and the consequences of going in one or another direction, and the analysis and so on, so its very iterative that way. (005)

It is in the mediating or brokering role that many civil servants feel they can be most effective.

I would tell you that probably in our ministry we would aspire to achieve what would be a collaborative, at least in terms of the goals, kind of working relationship with that sector [i.e. voluntary sector].....We meet regularly with stakeholders. We go to conferences, we read. We know what the issues are, we know, from our agencies, what the issues are. So you know we may decide that there is, based on our research, there is a particular issue that needs to be addressed and it's our job to take it forward to the minister. And often things will move forward coming up that way. (009)

Part of that brokering role is acting as a conduit for good ideas from the grass roots.

In my experience as the manager, doing this for 4 years, the bulk of the work that we've done has come from the bottom. (017)

It's our job as public servants to ensure that the political level has all the information it needs to make an informed decision whether they make a decision that we might think is the right decision or not, is not up to us. (011)

One of the things I found in the last 10-12 years in government, and that's starting to change now for the better is, that civil servants have become less executors and more advisors, if you will. (005)

I mean we're working very cooperatively and collaboratively with them to give them a voice and to take that voice and to bring it forward to government to make some of the connections. (004)

However, recognizing and representing their stakeholders' interests does not mean urging them to pursue independent pressure tactics.

I think that would be inappropriate for the bureaucracy to advise somebody externally... We could and would take their issues forward, but we would take them forward internally as opposed to recommending political strategies to our stakeholders. That's where the line is. (004)

Despite the lack of formal consultation by the PC government, as described above, there is an attempt by the ministries to "take the pulse" of their stakeholders.

One of the big things that [we] do, is to try and review, monitor, measure, counsel, advise, support, negotiate, all of those kinds of words around - lets make sure that we are getting what we need and that we are helping you sort through your problem... We pay attention to stakeholder groups of all kinds who advocate for a variety of different approaches. (007)

A large part of their time goes into developing a good relationship with their stakeholders, which are deemed to be extremely important.

[Consulting about policy initiatives]... certainly [goes] both ways. I'm not sure of the exact percentage. It varies from ministry to ministry and also from minister to minister. But generally we use a large percentage of our time in developing and maintaining relationship with stakeholder. (003)

For us, stakeholder relations are extremely important... So we have a formal project within our ministry on improving our stakeholder relations... Virtually every project we do, we do with or through our [stakeholder] organizations. (006)

This can mean hiring people with stakeholder experience.

There's a lot of what we call stakeholder meetings in government. You see a lot of job ads in government all the time wanting experience with stakeholder relations. And what stakeholder relations means, is a lot of our policy analysts and policy personnel are constantly meeting with stakeholders, people involved in their area of work. (002)

Developing and nurturing stakeholder relations not only for service delivery but also for policy development is seen as a healthy trend for the future.

We are starting [to work] horizontally. We interpret that to mean not only working with other ministries but working with stakeholders outside and engaging the stakeholders in the policy development process. They have always been involved in the delivery side of it. And I think involving the customer groups more and more, early on in the policy process is going to be a continuing very healthy trend of government. . I think in the past 10-15 years there has been a recognition that the best policy development happens with the people affected by the policies as opposed to ivory towers in government. So I think you'll see that trend continuing - government reaching out to the voluntary sector for policy. (006)

There is concern that the ministries are not responsive enough and something should be done about it.

I think that that is the role of government, in most instances – to respond to the bottom up.... What government needs to do is be responsive and figure out how to do that within its mandate.... We are not responsive enough and we are too slow... The thing that I think that the government hasn't caught up with is the citizen's first kind of idea, - with the client in the centre, or the citizen in the centre...and building around that. (008)

There is pressure to get a policy done, get out there and you know that its got implications for [everything] and ...we know good policy is working horizontally, we don't always model the best behavior. (009)

One respondent describes a program developed with extensive community consultation. She holds this up as an example of how things should always be done, but laments that this program is an anomaly and not the way government usually operates. She is hopeful however that this may serve as an example for future program development and implementation.

The decision was that it [the new program] would be a community based process because every community is different in the province.... it was very much a community based process in a way that we have never done before... I would love to see it happen [again]. And if it does, then more power to the government that actually chooses to do it that way. Because even though there is more work up front it certainly has its payoffs at the other end. Do I believe that that's the way things are going to be? No, not really. (014)

There are generally few formal rules governing the relationship between the civil servants and their third sector stakeholders. Formal protocols seem to extend only to the monetary relationships.

I would characterize the protocol as one that has to do with balance... what I can communicate in terms of my role as a civil servant but I have less to say about the government. I would never speak for the minister, for example, I would be very careful about it. So it's that kind of general stuff. (001)

As a funder, there's a lot of policies and protocols. There's Management Board guidelines on transfer payments. (004)

Unfortunately the governance and accountability framework speaks solely to the nonprofit transfer payment sector. (010)

If there are dollars involved, yes [there are protocols]... But beyond that, no. There's one of the significant parts about our relationships [with our stakeholders]... And that shifts over time. But a lot of it depends on the government in power, the minister of the day, and some staff. Some staff weighs more emphasis on relationships than others. (003)

I can't think of any formal protocols. I mean we certainly, as part of our staff training and good customer relations, we have expectations of how we all, as employees of the ministry, interact both with clients and with our community agencies and what our best practices would be... There's obviously things we can talk to agencies about and things you can't that are decisions that aren't taken yet. That's part of civil service... But there are a couple of things that are more on the formal side and then there are some probably less formal ones. In terms of the organizations we fund, we fund them through service contracts. So it's defined. (009)

Whether through more formal protocols or not, there is a belief that relationships can be

improved.

I think in government we can do a better job of fostering better relationships - and I'm talking about a sustained relationship and that has to happen at the service level. Because ministries come and go, politicians come and go, and governments come and go. So you need that consistent relationship building and maintaining. (003)

In summary, there is general agreement that under the Progressive Conservatives, formal consultation was frequently by-passed, however, in one way or the other, the respondents feel that their role is one of brokering: to interpret policy to their constituents and to influence policy direction through their more intimate knowledge of the sector and its work. Although most likely their role has been similar in the past, there is a feeling that the relationship is becoming more formal in terms protocols for monetary transfers. Other aspects of the relationship with the third sector are idiosyncratic to the various ministries and the individuals involved.

Theme 3. Partnerships

One of the questions we asked our respondents was how they would describe their relationship with the third sector. Many of them use the term partnership to describe their relationship, however there is no consensus as to whether these are, or can ever be, true partnerships. There seems to be a trend to use the word very loosely.

Organizations are being encouraged to develop partnerships with other organizations and a lot of times we talk about private-public partnerships... But what we mean by partnership, is a very loose term. Partnership could be working with the government. It could be something as basic as receiving a grant. The staff will say we had a partnership, even though it's really just the same old grant relationship. (002)

There is general agreement that nurturing partnerships is a good idea, not only between the government and the voluntary sector, but also between voluntary organizations and with the corporate sector as well. Three sub-themes emerged: partnerships between the government and the third sector, partnerships among voluntary organizations, and partnerships with the corporate sector.

1. Partnerships between the government and the third sector

We asked our respondents to describe their relationship with the nonprofit sector. One respondent sees it as an emergent partnership to replace the government workers who had delivered services previously.

I will use the word replacements, for government workers doing work that the government has decided is best done by someone else out there in a partnership with the government. In some cases it's a supplement to what the government

does...there was less of the complementary stuff 10 years ago, because there was a lot less alternate service delivery. (007)

Another respondent views the benefit of partnerships as getting better results.

I always think that a true partnership approach gives you a much better result. And in this ministry, this is something that you'll even see in our mission, vision and value statement. We work through partnerships and we believe that partnerships really do bring you better result. (004)

I think, the pressures for service are so great, the needs are so great. There will never be enough resources. We are going to have to work together to do things better. So, I'd hope that the voluntary sector would see that as a good thing... Speaking on behalf of my own ministry, they are committed to working with that third sector, collaborating and finding ways that we can solve the problems. (009)

Several respondents see partnerships as a growing trend that is likely to stay because it reflects the culture of the ministries.

[Partnerships are] absolutely ingrained with us that that is the way we work... The culture of our ministry is, "how can we achieve partnership in this area?" That would be our first question. (004)

These partnerships go beyond simply sharing information.

And as far as partnerships are concerned I think there will be an increased emphasis on government partnering with voluntary organizations in ... policy development. There is going to be a lot more lateral mobility between nonprofit service organizations and government. If you go down this hallway here at least 4 or 5 of my people working on policy for the government are technically working for, they are getting paid by [a certain nonprofit organization] and they are sitting right here. (006)

The nature of the partnership can be expressed in many different ways.

In a number of ways this [partnership] would be beyond just funding. Also I would say providing expertise. (003)

I also see them (nonprofits) as partners of government such as the example where they help us in establishing a program and then delivering the program...So more as in a partnership mode, while they keep their independence to criticize us, on that front they will work with us. (005).

They can come to me about anything, I can go to them about anything. They will have to tell me that there is a heads up because someone is having a bit of an

issue over there, you may want to get to them before it blows up. And so they have been absolutely wonderful about that and I have been able to be very responsive to them. (011)

Some respondents are a bit cynical in calling these relationships partnerships because of the inequality built into the nature of their relationship.

When one partner has the money, it's a hard piece. So we have a relationship but not called a partnership...don't know what else it's called. But you know there is this piece about how can we be partners when you have all the power? (008)

I think from my perspective an effective partnership has to have shared objectives and shared accountability. And when you are developing legislation I don't think that is ever going to happen because they [i.e. nonprofit sector] are advocates. (004)

One respondent suggests that the government's accountability expectations are preventing nonprofit partners from achieving a relationship of equality.

I think what we have suffered from, quite frankly, is a homogenous view of these various partnership arrangements with these service delivery agents or whatever. And it's really going to require some courage on the part of government to understand fundamentally what its accountability expectations mean to the various partners. Are we as government people going to allow these service delivery partners to grow up? Are we going to give them the tools to do it? Are we going to allow them the flexibility? (010)

2. Partnerships among nonprofit organizations

Emphasis on efficiency and cost cutting has led to encouraging nonprofit organizations to partner with other organizations.

And so there has been a whole move to do it as much as we can in a collaborative manner...some agencies feel that they have a better chance of securing funds if they collaborate with other agencies. (008)

I guess one of the concerns we have is that if you look at virtually any sector there are a lot of nonprofit organizations. And I think you would find an overlap in a lot of areas. But we've been trying to encourage consolidation or sorting out where the overlap is. (003)

I think that collaboration and partnership are going to be critical... I don't think that [the pressure to collaborate is] going to be reduced. I think that the government will continue to expect groups to demonstrate partnerships and to

work in partnership and to look for ways of working together to make whatever resources there are go further. And I don't think that will change unless money falls from the sky... (011)

We will say to smaller organizations we won't fund you separately, but you could seek a partnership. (004).

Some respondents also see their role as facilitating partnerships and collaborative efforts.

It's not about providing money to someone, it's about providing a venue for organizations to be able to come together and talk and plan and so forth. So it's been kind of an in-kind support that we've provided – opportunities for networking. (011)

I think volunteers talking to volunteers is the way to really give the message. The other thing is it's a great group for board development, and also hiring boards. People know other people who might be interested in being on a board with a specific expertise. For the past four years [we] have been building networks ... in order to increase the sector's capacity to serve. (008)

Thus, partnering is being encouraged not only for cost savings, but also as a way for organizations to help each other improve their functioning.

3. Partnering with the private sector

The Progressive Conservative government recognized that partnerships between nonprofit organizations and the corporate sector may be an expedient way in which nonprofit organizations can reduce their reliance on government funding. In order to encourage the participation of the corporate sector, the created opportunities for partnerships. One of these initiatives is “Ontario’s Promise,” to promote and foster “ the development of partnerships that will promote a shared responsibility and citizen involvement in areas impacting on children and youth.” (Reference) It is a non-partisan initiative led by an advisory board that works with all sectors of society, including corporations, non-profit agencies, and the volunteer sector.

[It's] all about trying to get communities and more particularly corporations to commit more corporate resources, to programs for children and youth. And corporate resources can mean money but it can also mean time... So it's kind of like the corporation enabling what the communities used to do on their own. (007)

We do have a program that is bringing the private sector in. It's called Ontario's Promise. And it's a program to make things happen for children and youth, and its kind of a matching program. And, I forget how many corporate partners there are, but somehow everybody puts up something. (009)

Aside from Ontario's Promise, very few other government initiated partnership schemes are mentioned.

Other than Ontario's promise, we don't have a strategy, I'd say, for how to make it [i.e. private sector participation] happen. (009)

Partnerships extend beyond just monetary relationship..

I think we should be looking at a model where the three of us are at the same table. And I've seen some good examples of that, where nonprofit sectors work with government and private sector, certainly in a lot of the[...] activities that we're involved in... There was a good example where a lot of nonprofit organizations and volunteers got involved. Business sector was there for sponsorship and we were there.... We were at the table with our team of experts, organizing [activities] for quite a number of years. And we had the nonprofit sector involved in organizing other activities there. So as I said before, I see it as an equal partnership. (003)

We in the ministry have seen the business sector as a really important partner when we have been dealing, for example, with helping voluntary sector use IT more effectively. Business has been a very important partner. (004)

We have [...] agreements [that] are definitely partnerships. They are partnerships between the ministry [...] industry, [...] and [nonprofit] groups. (005)

But respondents view corporate partnerships as a viable way to augment funding.

There is not enough money to look after our vulnerable population, so let's go to the businesses. (013)

We encourage them to expand their revenue basis. Many of them are very successful at doing it. (009)

Look to other partners possibly in the corporate sector, develop your own capacity to be more self-sustaining. So I think in the last decade, we would see policies that have moved from grants to more strategic [forms of revenue generation]. We'll help leverage, support other players if we can't contribute ourselves, achieve an influence, we try. We're pilots of the small projects... where we are hoping to leverage more corporate sector support through a matching program. (017)

To summarize, it seems that the main driving force for partnerships, both within the third sector and with the corporate sector, is the quest of greater efficiencies and revenue diversification. However, our respondents identified other benefits as well.

Discussion and Conclusions

Two distinct, but related, changes occurred to influence the relationship between government and the voluntary sector. The first was the adoption of a business model to streamline government activity, make it more efficient and accountable to the taxpayer. The second involved changes in the funding formula, accompanied by deep cuts in allocations. From the interviews, it is clear that the increased pressure on the ministries to cut spending and be more efficient and accountable to taxpayers were strong forces in requiring new standards of behaviour from their nonprofit stakeholders. Accountability requirements were tightened, formal consultation with the sector was reduced and partnerships of various kinds were encouraged. These were expressed in three major themes that surfaced in the interviews: a) increased demands for accountability, b) a “brokering” role for the ministries in policy formulation, and c) the desirability of partnerships. Taken together, these themes demonstrate not only how formal government policy influences the voluntary sector, but also how new operating guidelines for the ministries are translated into similar expectations of their clients.

The survey of Canadian voluntary organizations recently conducted by Meinhard and Foster (2003a, 2003b) corroborates that voluntary organizations have been making changes in line with these new government requirements. The findings of this current study, combined with the results of the survey, are indicative of coercive institutional isomorphism. These interviews provide a window through which to evidence the process of isomorphism.

DiMaggio and Powell (1983; 1991) assert that coercive institutional isomorphism can be attained through both formal and informal pressures to conform to certain expectations. Both forms are evident in the interviews. For example, in the discussions about accountability our respondents were quite clear that when it comes to accounting for how government money is spent, there are very strict and formal rules that nonprofit organizations have to follow. On the other hand, there are no clear requirements for performance measures. Norms for performance measures may be evolving informally, however, through discussions between the ministries and their nonprofit stakeholders. As a matter of fact, some civil servants think that performance indicators should be established by the nonprofit organizations themselves.

The Conservative government’s lack of consultation with the voluntary sector with respect to major policy changes constitutes another example of formal coercive isomorphism. However, it is interesting to observe the way the ministries see their role as helping their nonprofit stakeholders take advantage of and conform to the new policies. With their ears to the ground, these civil servants also attempt to represent their constituents to modify, or even initiate new policies. Their role as brokers reveals the occurrence of accommodation in the process of institutional isomorphism. The political echelon of government may demand changes, but the civil service acts as a modifier of these changes, making it easier for their nonprofit stakeholders to adopt and adapt to the new requests.

A similar process of isomorphism seems to be taking place with respect to partnering and partnerships. Government partnering with private for-profit or nonprofit organizations is not new, however the idea has recently gained increased cache as governments are outsourcing

services in a variety of areas including social, cultural and health services, building and construction, and health and safety monitoring (Osborne & Gaebler, 1992; Pal, 1997). Thus the word “partnerships” has been attached to both new and longstanding relationships that may not be indicative of partnerships at all. Or, as indicated by some of our respondents, these so-called partnerships are not true partnerships because of the asymmetrical power relationship involved. However, the use of the term is very common, even to describe straight forward contractual relationships (Richmond & Shields, 2003). It is not surprising then, that both formally and informally, various types of partnerships are encouraged, even mandated, by the ministries; and that they are sought by voluntary organizations within their own sector and/or with the private for-profit sector.

References

DiMaggio, Paul J. & Anheier, Helmut K. (1990). The Sociology of Nonprofit Organizations and Sectors. *Annual Review of Sociology*, 16:137-159.

Drache, D. (1995). The eye of the hurricane: Globalization and social policy reform. In Drache, D. (Ed.) *Warm Heart, Cold Country: Fiscal and Social Policy Reform in Canada*. Ottawa: Caledon Institute and Renouf Publishing.

Foster, M. & Meinhard, A. (2002). A contingency view of the responses of voluntary social service organizations in Ontario to government cutbacks. *Canadian Journal of Administrative Sciences*, 19 (1), 27-42.

Holstein, J.A. & Gubrium, J.F. (1995). *The Active Interview*. Thousand Oaks, CA: Sage.

Jeffrey, B. (1999). *Hard right turn: The new face of neo-conservatism in Canada*. Toronto: HarperCollins Publishers, Inc.

Kramer, R. (2000). A Third Sector in the third millennium? *Voluntas*, 11 (1): 1-23.

Kuhnle, S. & Selle, P. (1992). *Government and Voluntary Organizations: A relational perspective*. Aldershot: Avebury.

McBride, S. & Shields, J. (1997). *Dismantling a Nation: The Transition to Corporate Rule in Canada*. Halifax: Fernwood Publishing.

McNiven, C. (1996). Horizontal integration and the development of the welfare state. In Tester, F.J., McNiven, C. and Case, R. (Eds.) *Critical Choices, Turbulent Times*. Vancouver: UBC.

Meinhard, A. & Foster M. (2003). Differences in the response of women’s voluntary organizations to shifts in Canadian public policy. *Nonprofit and Voluntary Sector Quarterly*, 32 (3), 366-396.

Meinhard, A. & Foster, M. (2003). *Responses of Canada's voluntary organizations to shifts in social policy: A provincial perspective* [Online]. ISTR Conference Working Papers, Vol. III. Available: <http://www.jhu.edu/~istr/conferences/capetown/volume/meinhard.pdf>

Osborne, David & Ted Gaebler. (1992). *Reinventing Government: How the Entrepreneurial Spirit is Transforming the Public Sector*, Reading, MA: Addison-Wesley.

Pal, L.A. (1997). "Civic Re-alignment: NGOs and the Contemporary Welfare State" in Raymond B. Blake, Penny E. Bryden and J. Frank Strain (eds.), *The Welfare State in Canada: Past, Present and Future*. Concord, Ontario: Irwin Publishing.

Reckert, J. (1993). *Public Funds, Private Provision: The Role of the Voluntary Sector*. Vancouver: University of British Columbia Press.

Rice, J. J. & Prince, M. J. (2000). *Changing Politics of Canadian Social Policy*. Toronto: University of Toronto Press.

Richmond, T. & Shields, J. (2003). *Third Sector Restructuring and the New Contracting Regime: The Case of Immigrant Serving Agencies in Ontario*. Centre for Voluntary Sector Studies, Ryerson University, Working Paper Series, No. 25.

Salamon, L. (1995). *Partners in Public Service*. Baltimore: Johns Hopkins University Press.

Salamon, L., List, R., Sokolowski, W., Toepler, S. & Anheier, H. (1999). *Global civil society: Dimensions of the nonprofit sector*. John Hopkins University: Centre for Civil Society Studies

Scott, J. T. (1992). *Voluntary Sector In Crisis: Canada's Changing Public Philosophy Of The State And Its Impact On Voluntary Charitable Organizations*. Ann Arbor: University Microfilms.

Seidle, F.L. (1995). *Rethinking the Delivery of Public Services to Citizens*. Montreal: Institute for Research on Public Policy.

Smardon, B. (1991). The federal welfare state and the politics of retrenchment in Canada. *Journal of Canadian Studies*, 26(2), 122-141. Reprinted in Blake, R. & Keshen, J. (Eds.) *Social Welfare Policy in Canada: Historical Readings*. Toronto: Copp Clark Ltd. 1995.

Johnson, A. (1987). Social policy in Canada: The past as it conditions the present. In Seward, S.B. (Ed). *The Future of Social Welfare Systems in Canada and the United Kingdom*. Halifax: Institute for Research on Public Policy.

Tester, F.J. (1996). One piece at a time: Pragmatic politics and the demise of Canadian Welfarism. In Tester, F.J., McNiven, C. and Case, R. (Eds.) *Critical Choices, Turbulent Times*. Vancouver: UBC.

Ontario Public Service Restructuring Secretariat, Cabinet Office. (1999) *Transforming Public Service for the 21st century*. Government of Ontario.

Van Til, John. (1988). *Mapping the third sector: Voluntarism in a changing social economy*. New York: Foundation Center.

Wagner, A. (2000)

Young, D. 2000. "Alternative Models of Government-Nonprofit Sector Relations: Theoretical and International Perspectives." *Nonprofit and Voluntary Sector Quarterly*, 29 (1).

Endnotes

1. Isomorphism is the tendency of organizations to acquire similar characteristics of form and function as a result of competitive or institutional pressures. Institutional isomorphism occurs through coercive, normative and/or mimetic means.
2. The numbers in the brackets indicate the identification number of the taped interview.
3. In order to maintain full confidentiality, we have removed any names or references which could conceivably identify the interviewee.