15. Galvanising government–non-profit/voluntary sector relations: two Canadian cases to consider

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Overview and challenge

This volume and the June 2007 conference on which it is based explore how collaboration can be fostered in diverse governance contexts and modes: in different policy sectors, with different types of partners and at different levels of analysis (local, state, national and international). Where collaboration with non-profit organisations was concerned, one conference panel considered intriguing collaborations between governments and local communities (for example, Eggers on the Golden Gate regional district; the Victoria Communities initiative; the Cape York initiative with Westpac, and so on), while others examined special-purpose partnerships with non-profit or charitable organisations. This chapter takes a different tack: it considers higher-order or sector-to-sector efforts to foster collaboration between government and the voluntary sector as a whole.

During the past decades, several jurisdictions have sought to foster a more productive and vibrant non-profit and voluntary sector, and to improve the relationships between this sector and governments. Examples include the United Kingdom's 'compacts', South Australia and Queensland, selected states in the United States and, more recently, several examples in Canada at the national and provincial levels (Phillips 2003b; CNPM 2004; Carter and Speevak Sladowski 2008). This chapter argues that fostering sector-to-sector relationships is an inherently complex, multi-level enterprise, embracing diverse needs and requiring considerable effort and resilience on the part of government and non-profit sector leaders alike—particularly the latter. While there are exemplars of decisive government action and engagement, particularly in the United Kingdom, launching comprehensive policy innovations is fraught with capacity and political challenges (Desveaux et al. 1994) and proceeds in fits and starts. This chapter seeks to understand the motivations of actors in engaging government–non-profit initiatives and identifies some lessons to consider.

This chapter begins by considering how government-to-non-profit-sector reform fits into the larger realm of public-management reform during the past two decades. The chapter then introduces two cases from Canada to identify some

of the challenges in fostering such relationships. The first is the Voluntary Sector Initiative (VSI) formally launched in 2000 after an effective agenda-setting exercise and preliminary dialogue with government officials by several non-profit and voluntary-sector organisations. The second considers two rounds of engagement in British Columbia intended to foster improved relationships between the government and the non-profit and voluntary sector, the second still in the early phases of development. The chapter concludes with some reflections on how to design, sustain and conceive such collaborative initiatives.

Why are governments fostering collaboration with the non-profit sector?

The non-profit and voluntary sector is hardly a new phenomenon in our modern societies. Long before the emergence of the welfare state, they provided, however uneven, a social safety net, a variety of community and public goods, assistance and advocacy for special needs and innovation in the design and delivery of services. Indeed, many of the social and other government programs we take for granted can be traced back to programs that were delivered first in the non-profit and voluntary sector, and became the inspiration for or foundation on which more substantial interventions were built. While the size, scope and diversity of the non-profit and voluntary sector increased in leaps and bounds in the past century, arguably, the challenge of providing a coherent view of the sector along with the rise of the Keynesian welfare state as the acknowledged source of innovation and funding reduced its profile. Moreover, the debate during the 1980s about where to take public administration was informed largely by for-profit models and opportunities.

If this is all true, why has there been a strong expression of interest in improving the state of government–non-profit sector relations in many jurisdictions? To answer this question, it is best to begin by considering the nature and focus of public-management reforms in many OECD jurisdictions in the late 1980s and early 1990s.

A common challenge for many governments involved containing the growth of program expenditure and deficits, leading to varying combinations of policy change, program reductions or elimination and adoption of alternative ways to finance and deliver public services. Before policy and alternative delivery decisions were made, many governments engaged in across-the-board cuts and repetitive budgeting strategies, which often led to reductions in the grants and contributions to other levels of government, non-profit and private organisations as a way to protect core operations (Lindquist 1997). Some governments wondered why they were providing sustainment funding to organisations that were staunch critics. Non-profit organisations that previously received sustainment grants from governments often learned that these would no longer be

forthcoming—funding was increasingly project specific and not intended to cover overhead costs.

Many governments addressed their policy, program and deficit challenges by relying on the precepts and principles of managerialism and the ‘new public management’. These reform frameworks put significant emphasis on improving the quality of service, reducing or covering costs, offering flexible channels and introducing contestability, competition and contracts for service provision, performance reporting and accountability for results. Through these lenses, non-profits were seen as would-be or current ‘service providers’ and were often treated no differently than the for-profit sector seeking contracts and public–private partnerships (PPPs) to provide services under procurement regimes. One implication of the new procurement regimes was that non-profits found themselves not only in competition with firms but with other non-profit organisations. To compete successfully and deliver meant that many non-profits found themselves in very different operating environments, requiring the preparation of bids and competition, project management and performance monitoring and reporting. In essence, many non-profits underwent a jarring shift in focus from ‘helping’ key constituencies to adopting a business orientation, higher overheads and new capacities for surviving (and sometimes thriving), becoming aware of scale disadvantages and, of course, more insecurity and frustration. Non-profits had previously been entrepreneurial but rarely so directly competitive. It is not surprising that concerns emerged and were shared in various quarters of the non-profit sector and that awareness began to grow about the lack of direct representation of sector interests to governments and public-service institutions, which led to the galvanisation of action in varying degrees.

Notwithstanding these developments in the realm of public management, there emerged from an entirely different direction strong interest in the concept of social capital and the role and health of civil society, emphasising the need to maintain or rebuild the fabric and resilience of communities and citizens (for example, Putnam et al. 1994; Putnam 2000). This perspective not only recaptured the notion of ‘citizens’ rather than customers or clients, it implied that working with non-profit and voluntary sector organisations was about more than service delivery and performance. A bottom-up perspective led to the conclusion that non-profits worked ‘in’ and were often ‘of’ communities, that successful delivery of services often relied on building trust and understanding local developments and that non-profits, through direct contact and engagement with citizens and communities, had a role and capability as street-level delivery agents to observe on-the-ground results, issues and opportunities, and that they had a responsibility to convey them to governments and other funding organisations, which often meant challenging existing policies. The tensions between this view of the non-profit sector and new public management precepts were very real: not only

were the resource outlays for building this goodwill and trust through relationships not captured in contracting and procurement regimes, many non-profits were increasingly reluctant to exercise their 'voice' when contracts and competition were at stake.

In Canada, as we will learn below, an additional dynamic has been the emergence of an environment of 'hyper-accountability' because of scandals involving the Government of Canada and how grants and contribution programs and reporting were handled (Good 2003, 2007). One outcome was that procedures for reviewing, approving, monitoring and then reporting on grants and contributions for all recipient organisations multiplied and became increasingly onerous and costly, particularly for small non-profit organisations. Although these developments arose at the federal level, the burdensome requirements had implications for other levels of government and the non-profits that dealt with several departments within and across governments. It raised the question of how well and how fairly governments dealt with the non-profit sector.

As governments became more aware of these challenges and concerns, it led to important questions about how well organised and capable governments were to engage such a diverse, sprawling and huge sector, with many different interests. Conversely, it raised questions about how capable the sector was of organising itself and articulating its concerns. With this backdrop in mind, and with the goal of exploring the dynamics of engagement within the non-profit and voluntary sector, we consider two cases from Canada.

Canada's Voluntary Sector Initiative: a few bricks in place

The Canadian Voluntary Sector Initiative (VSI), announced in 2000, is an interesting case because the momentum for engagement was built from outside government in response to the effects of successive budget decisions during the early 1990s. Several organisations representing a cross-section of the non-profit and voluntary sector formed a united front and developed a strategy to put issues on the government agenda in a credible way. Adroit agenda setting, combined with fortuitous timing with respect to national politics and the emergence of a coherent international exemplar, led to a significant process and commitment from government. The VSI was, however, sideswiped by unrelated scandals and different governments that attached less priority to it. Once again, the sector has had to work from the outside to put issues on the agenda but it now has a better base from which to exercise influence.

In the late 1980s and early 1990s, the fiscal position of the Government of Canada was worsening. This, in combination with insufficiently conservative forecasting from the Department of Finance, led to a series of restraint exercises and across-the-board cuts, sometimes several in a year (Clark 1994). These exercises and cuts, along with de-layering and reorganisations, were depicted as removing

overheads, duplication and unnecessary spending. One such exercise was focused on reviewing and reducing grants and contributions from departments and agencies to all ‘interest groups’ receiving funding from the Federal Government. These initiatives, however, did not really address the inertia behind program spending and underlying structural issues. In anticipation of a change in government, the Canadian Public Service was significantly restructured in June 1993 (informed by the 1989 restructuring in Australia) and it was left to the incoming Liberal government after its transition to announce dramatic targets for deficit reduction and variable program cuts under the banner of the Program Review during 1994–96 (Greenspon and Wilson-Smith 1996).

Much has been written about Canada’s Program Review (for example, Armit and Bourgault 1996; Paquet and Shepherd 1996), but suffice to say that departments were sent reeling (they had targets of anywhere from 17 per cent to 50 per cent over three years) and deeper cuts were piled onto the earlier cuts to the interest groups from the non-profit and voluntary sector. The effects on non-profit and voluntary organisations were significant: as governments reduced or eliminated programs, particularly social and community-orientated programs, on-the-ground non-profit and voluntary organisations were left with fewer resources when attempting to respond to the needs of recipients (the last and increasingly poorly funded line of defence for those in need) and could see first hand the cumulative effects on them. In terms of its medium to longer-term effects on the non-profit and voluntary sector, however, the Program Review also cut in other ways: it created incentives for departments and agencies at the federal level, and for provincial and local governments also feeling the squeeze of federal cuts, to look at alternative, less costly and possibly more effective ways to deliver services (Ford and Zussman 1997). This provided an opportunity for non-profit and voluntary sector organisations to receive funding, albeit of a different kind, with strings attached and under contract. In short, the entire sector found itself operating in a new institutional and economic landscape. Interestingly, however, even though there was undeniably a coercive context for these shifts, early thinking in Canada put considerable emphasis on the potential for ‘collaborative governance’ (Ford and Zussman 1995); it would take some time to begin ‘enacting’ this notion.

The non-profit and voluntary sector was not, however, a passive consumer of cuts. In 1995, 12 diverse national groups created the Voluntary Sector Roundtable (VSR) as a forum for debate and to allow mobilisation at the national level in a coherent and concerted way in response to policy changes (Phillips 2001). Described as a ‘coalition of coalitions’, the VSR identified priorities, such as securing more generous tax incentives from the Federal Government for charitable giving and improving accountability. The groups obtained foundation funding for an independent Panel on Accountability and Governance in the Voluntary Sector, an expert panel chaired by Ed Broadbent to explore how the sector could

improve accountability and federal regulation of the sector. The Broadbent panel began its work and reported in early 1999. As Phillips (2001, 2003a) describes in considerable detail, however, the panel had influence because of serendipitous factors:

- the Deakin Commission on the Future of the Voluntary Sector had reported in 1996 and, after the June 1997 election, the Blair Labour Government in the United Kingdom began to run with its ideas on the third sector, developing its 'compacts' and attracting international attention
- Canada's Chretien Government was looking beyond the Program Review to developing a more positive policy agenda, and strengthening of the non-profit and voluntary sector found its way into its campaign commitments in the 1997 election
- the government was looking for ways to directly connect to Canadians to develop a federal presence, unmediated by provincial and territorial governments, and it sought to make contributions in the spirit of the forthcoming International Year of the Volunteer (2001).

After the election, the government established a Voluntary Sector Task Force secretariat working in the Privy Council Office to formulate an approach for the government, which tapped into the Broadbent panel's recommendations and took them to cabinet. In addition to many other discussions, three ministers with relevant responsibilities (human resources and social development, health and revenue) hosted a dinner with 10 other ministers and 20 representatives from the voluntary sector.

In March 1999, the government and voluntary sector agreed to establish three joint tables (on relationships, capacity and regulation), each with 14 members. Their mandate was to negotiate and draft a final report by August. The report, *Working Together*, then went into Ottawa's maw, first emerging as a commitment in the government's October 1999 'Speech from the Throne' and then mentioned, but not funded, in the February 2000 budget. After the creation of a Ministers' Reference Group, the VSI was announced in June 2000 with \$95 million, spread over five years, to fund work in the following areas: accord development, awareness, capacity, the National Volunteerism Initiative, information management and technology and regulation.

Staffing and coordinating the elaborated joint-table process was a logistical challenge, requiring a joint table simply to keep the process on track, coordinating committees inside government (to coordinate officials and to engage relevant ministers) and independently for the sector. This intensive activity led to the adoption of a Voluntary Sector Accord in December 2001, while other reports and agreements emerged with time. For example, codes of practice for policy dialogue and funding were released in October 2002, concluding the first phase of the VSI. The second phase, from 2003 to 2005, involved additional

reports emerging from first-phase activities, implementing many of the programs that had been identified and taking stock of progress and gaps that still needed to be addressed.² This activity was notable for the relationships it generated and the mutual understanding it fostered within and across the leadership of government and the non-profit and voluntary sector, and for the accords, codes of practice, research and specific projects it funded, as well as an agenda for action that would deepen the reach of the initiative—but it did not provide base funding for sustaining the VSI. As Phillips (2003b) and Phillips and Levasseur (2004) observe, several key issues, such as securing greater scope for funding and a different regime for charitable registration, were sidestepped. Moreover, many of the principal players on both sides were moving onto new challenges and the mix of the government’s policy agenda was evolving.

By 2005, the VSI was confronted with four significant challenges. First, its sprawling agenda required consolidation and perhaps institutionalisation, or else it would dissipate. Second, the five-year funding for the VSI was coming to an end and there was concern about whether and how to renew it. Third, coming to agreement on these matters was difficult because of great uncertainty at the political level: the struggle over succession between Prime Minister Chretien and former Minister of Finance Martin, the subsequent precarious minority Martin Government, and then the minority Harper Government, which did not have the sector on its agenda. Fourth, several scandals in the early 2000s under the Chretien Government—the HRDC grants and contributions scandal,³ the federal sponsorship affair and the federal gun-registry program cost overruns—precipitated a remarkable shift in how federal departments and agencies dealt with the non-profit and voluntary and other sectors. Ministers and officials quickly became incredibly risk averse and bureaucratic when administering grants and contributions, dramatically increasing the cost in time and administrative overheads for those outside government, as well as for other levels of government. The Martin and Harper Governments responded with many overlapping initiatives that served to increase central-agency and departmental controls and to expand audit capabilities and requirements across government, which led to the Gomery Commission and the adoption of the *Federal Accountability Act*.

The government-sector political space for moving the VSI to its next phase narrowed considerably under the Harper Government. The government was led by a disciplined prime minister focused on a few core priorities and constantly in an election-ready stance. This is not to say, however, that there were not victories for the sector: the Harper Government did approve legislation providing more favourable tax treatment of stock options as donations to charitable organisations. Moreover, the Harper Government was made aware of the increasingly widespread frustration outside and inside government over the administration of grants and contributions from the Federal Government,

including higher proportional administrative costs and delays, particularly for smaller groups. In response, the government appointed a Blue Ribbon Panel on Grants and Contributions in June 2006 to review how the Federal Government managed \$27 billion in spending to non-profit and voluntary organisations, universities, aboriginal organisations, businesses, international organisations and other governments.

The Blue Ribbon Panel (BRP) initially consisted of three well-known leaders from outside government and had six months in which to size up the challenge, undertake consultations and produce its final report. The BRP held extensive consultations despite the short time frames. During the consultation phases, the non-profit and voluntary sector was the best organised of the affected sectors and saw the exercise as an important 'policy window' for the sector for dealing with the Harper Government. Indeed, a key challenge for the BRP was to take advantage of the sector's expertise and connections in public-service departments but avoid having the exercise become a back-door opportunity for putting the sector back on the government agenda (this was also a risk with respect to the aboriginal and other sectors concerned). The BRP, while aware of broader concerns and ambitions, maintained its focus on improving how the Federal Government administered grants and contributions.

The report, *From Red Tape to Clear Results*, was released publicly in February 2007, though it had been completed earlier (Blue Ribbon Panel on Grants and Contributions 2006). The report called for a client-oriented, simplified and cost-effective approach to administering grants and contributions, one that recognised that recipients often received funding from multiple sources. It also suggested that the Treasury Board Secretariat build a centre of expertise for grants and contributions, work with vanguard departments and develop a government-wide training program. Among many other things, it recommended that the government act in a concerted way and monitor performance in implementing the recommendations; indeed, even before the report was published, implementation work had started at the Treasury Board Secretariat. For example, a National Task Force on Grants and Contributions, led by Imagine Canada⁴ worked with the Public Policy Forum to have a follow-up consultation at a Stakeholder Forum in June 2007.

On 27 May 2008, a renewed sectoral summit with more than 250 participants invited the president of the Treasury Board to announce progress and initiatives relating to the BRP. These included overhauling the Transfer Payments Policy to be more recipient oriented and to correspond reporting requirements with the degree of risk and the track record of organisations, standards for the quality of service for grant and contribution recipients, the identification of vanguard departments (responsible for just more than half of grant and contribution spending) and pushing forward with central capabilities such as a centre of

excellence and better technology for the administration of grants and contributions in the Treasury Board Secretariat. The minister's announcement was followed by a commitment to have the two BRP leaders host regional stakeholder forums in June 2008 and later in the year to discuss and report on progress from a non-profit and voluntary organisation perspective (Imagine Canada 2008).

Much has been written about the VSI and in considerable detail, often putting the Canadian approach and accomplishments in comparative perspective (Good 2001, 2003; Phillips 2001, 2003a, 2003b; Brock 2003; Brock and Banting 2003; Phillips and Lavasseur 2004). The initial publications, many written by insiders, reflect the excitement and the twists and turns of moving a significant initiative further; the later publications share more sober assessments of what was accomplished and a sense of disappointment, particularly in the wake of the HRDC grants and contributions scandal. In their broad assessment, Phillips and Levasseur (2004) use the metaphor of the game of 'snakes and ladders' to describe the non-profit and voluntary sector's experience of trying to move towards the goals many from the sector had in mind, particularly when the standard against which success was judged consisted of binding agreements with government, more substantial institutions inside and outside government to buttress those agreements and a strong associational structure in the sector. Another complication was that the core government secretariat was moved away from the centre of government to a succession of different departments, as part of broader machinery changes introduced by the Martin and Harper Governments. This, in addition to the turnover of leadership engaged directly with the VSI, has made it difficult to sustain momentum.

Much was accomplished, however, after more than a decade of effort. A coherent view developed of what a well-functioning non-profit and voluntary sector was, including how a good relationship with government might work. The Voluntary Sector Accord and the codes of practice were negotiated and foundational research was sponsored and completed to provide a good sense of the size, diversity, financial dimensions and economic impact of the sector across the country. A national learning initiative canvassed the sector to identify its needs and challenges, and the competencies and strategies required to address them, and a Human Resource Council for the Non-Profit and Voluntary Sector was established. The Canadian Centre for Philanthropy and the Coalition of National Voluntary Organisations merged capacities and respective strengths to become Imagine Canada, in part to create a more potent focal point for the sector at the national level, to animate a broader coalition of non-profit and voluntary organisations and to represent the sector on priority issues to government. The performance of Imagine Canada with the BRP process (before, during and after) demonstrated its influence, even if there were numerous other issues it concerted with other non-profit-sector organisations. There has emerged a new generation

of university and think tank experts who have programs of research and who provide voices and assessments, including the National Centre for Voluntary Research and Development at Carleton University and the University of Ottawa, the Public Policy and Third Sector program at Queen's University and the Voluntary Sector Affinity Group under the auspices of the Association of Community Colleges of Canada, a Canadian offshoot of the Association for Research on Nonprofit and Voluntary Organisations (ARNOVA), to name only a few. The more general result is an enhanced network consisting of practitioners, researchers and officials who collectively have a much better ability to convey the sector's needs than 10 years earlier.

So, despite the snakes and ladders, a lot has been accomplished and there are well-developed ideas and principles waiting to be animated. Many resources were brought to the table in order to kick-start an ambitious institutional reform agenda. Much has yet to be realised from the vision first delineated as a result of the Broadbent panel process, but it is important to recall the scope of that ambition, which really should be depicted as a comprehensive policy innovation requiring institutional and cultural change. Even if there is a powerful, coherent and compelling vision for change, as with any significant restructuring of large-scale organisations, it takes time to put each of the foundational 'bricks' in place. Where the VSI is concerned, the more significant bricks will require additional and concerted political engagement, which is episodic and a matter of good timing. Many bricks have been put in place, and the non-profit and voluntary sector at the federal level is well positioned to continue making its case on the key issues it has identified. Further policy change and institutionalisation will have to await further funding and legislation, and this requires external commitment and good timing.

Recent developments in British Columbia: from Ministry of Community Development, Cooperatives and Volunteers to Government Non Profit Initiative

Efforts to improve government–non-profit sector relationships have not been confined to the national level. Several provinces have launched initiatives in the past few years, including Newfoundland, Quebec, New Brunswick, Alberta, Ontario and, most recently, British Columbia. Here, we consider recent developments in British Columbia (BC).

The BC case is interesting because it stood as an exemplar of strong government interest in strengthening the non-profit and voluntary sector during the late 1990s, but a change in government set back the gains that had been made, in part because it set in motion a fundamental restructuring of how government and the Public Service worked in the early 2000s, which put the non-profit and voluntary sector on considerably different footing, not so much by design but as a strong implication of how government generally would do business. As

space was created for sector and government leaders to discuss issues of mutual concern, non-profit and voluntary sector representatives certainly had the experience of the VSI in mind (many had participated in one way or another) and they were well aware of parallel international developments in this area, including in Australia. There has been strong interest in securing change that makes a practical and direct difference to those who deliver, manage and oversee services. A distinctive feature of British Columbia is that building a more positive relationship with First Nations governments and communities is high on the policy agenda.

Before considering more recent developments, it is worth briefly acknowledging the approach taken by the New Democratic Party (NDP) government led by Glen Clark in the late 1990s. In April 1998, the Premier appointed Jenny Kwan as Minister for Community Development, Cooperatives and Volunteers, and a voluntary-sector strategy process was initiated. A supporting ministry was established in July 1999 and the next December its strategy was announced. A key initiative was InVOLve BC, \$14 million for 119 seed projects that relied on a 23-person task force to assess applications. The government also used its role as chair to host the first federal–provincial territorial meeting on community development and the voluntary sector in March 2000 (Guerin 2002; Kwan 2002). This engagement was, however, on precarious footing: the NDP government was soon embroiled in a series of political crises and leadership uncertainty and succession, and the non-profit and voluntary sector in British Columbia itself was not well organised.

In May 2001, a Liberal government under the leadership of Gordon Campbell secured a landslide victory in the provincial election. The government announced a major shake-up of the ministries and structure of the Public Service and, echoing Ottawa's 1994 Program Review, launched a review of all programs as well as agencies, boards and commissions—all with the overarching goal of reining in provincial finances and making government leaner and more innovative with significant reductions in expenditure and personnel. As was the case with the Program Review, there were significant impacts on non-profit and voluntary organisations: ministry budgets were dramatically cut, often directly affecting the funding available for non-profit and voluntary organisations; the Ministry of Community Development, Cooperatives and Volunteers was eliminated, with its programs either dispersed among other ministries or phased out; and the senior management teams of ministries were consumed with meeting financial and full-time equivalent position downsizing targets for a government that valued performance and had relatively less time for cultivating relationships with non-profit and voluntary sector leaders. Coming on the heels of the federal Program Review cuts and Ottawa's increasingly risk-averse environment after the HRDC scandal, many non-profit and voluntary sector leaders found their organisations in a very difficult environment.

The governance model taking shape in British Columbia soon became apparent: in almost every policy sector, the government encouraged ministries to 'steer' rather than deliver services, and this meant either vacating certain responsibilities or relying far more heavily on for-profit, non-profit and voluntary organisations to deliver services. The government also increasingly sought to promote and rely on PPPs for the purposes of infrastructure development, establishing Partnerships BC, and aggressively pursuing the outsourcing of revenue collection and some corporate services with for-profit providers. For many non-profit and voluntary sector organisations, this meant the end of the grants they had relied on. Increasingly, however, they could secure funding through contracts for specific deliverables or compete for service-delivery contracts through the procurement system—the government's increasingly preferred vehicle for awarding work. The need to develop a results orientation and performance agreements became paramount, but overheads were typically not recognised. While the effects on various segments of the non-profit and voluntary sector varied across the waterfront of the BC Government, it is important to understand that this did not represent a deliberate policy towards furthering linkages with the sector in a certain way; rather, it was an implication of a strong push from the government under new public management and alternative service delivery principles in pursuit of higher goals as to what were the appropriate responsibilities of the Public Service. How matters shook out for the non-profit and voluntary organisations depended on their relationships with specific ministries. In short, the aggregate impacts on the sector were cumulative depending on the specific and uncoordinated decisions and styles of specific ministries.

Leaders inside and outside the sector expressed concern, although the BC non-profit and voluntary sector did not have an associational structure with as strong a voice as counterparts at the national level. That said, the Voluntary Organisations Consortium of British Columbia was established in British Columbia in 2002, and the Vancouver Foundation sponsored the start up of the Centre for Sustainable Development in Vancouver about the same time as the Centre for Non Profit Management was established on Vancouver Island. The Ministry of Public Safety and the Solicitor-General provided funding for a Centre for Non Profit Development to foster courses for non-profit and voluntary organisations in community colleges in 2003. In July 2004, the Centre for Non Profit Management (CNPM) released a discussion paper entitled *Strengthening the relationship*, calling for more dialogue between government and the sector. In October 2005, the Voluntary Organisations Consortium of British Columbia (VOCBC 2005) invited the leaders of several non-profit and voluntary organisations to discuss an approach to galvanising the sector, and it is worth noting that little was said directly about the nature of government policy towards the sector—presumably because many were concerned about how to convey

their concerns without compromising fragile funding arrangements. Something was in the air.

In early 2007, with initial funding support from several ministries, CNPM and the University of Victoria's School of Public Administration published a discussion paper (CNPM 2007a) and hosted a roundtable discussion with leaders from the government and non-profit and voluntary sectors in late May 2007 on their respective challenges and perspectives, and to ascertain if there was sufficient interest in exploring a common agenda. A crucial signal was the agreement of the Deputy Minister of Public Safety and the Solicitor-General and the CEO of the Vancouver Foundation to serve as co-chairs of the event. In addition to the concerns emanating from the sector about funding, accountability, capacity and procurement, the government representatives expressed their interest in ensuring that services were well delivered by non-profit and voluntary organisations and that they were accountable and well governed.

The round table was a success and was well attended by senior representatives of both sectors (CNPM 2007b). There was widespread agreement that all parties were interested in better serving citizens and communities, and that much progress could be made without asking for significant funding increases for the non-profit and voluntary sector organisations, but rather by seeking ways to recognise their challenges, build capability, learn from success and explore the flexibilities available in procurement and other funding instruments. Out of the event came an agreement to establish a further process and another round table the next year that would focus on the priorities of fostering the relationship between the government and the non-profit and voluntary sector, building the capacity of the non-profit and voluntary sector and finding ways to better handle funding, performance measurement and accountability. The co-chairs of the May 2007 round table agreed not only to lead the next round, thereby providing continuity, but to jointly secure funding and form a core secretariat to handle coordination and logistics. In late 2007, three task forces and a steering committee were established, each co-chaired by government and sector leaders and supported by coordinating staff and researchers. It was agreed to invite participants mainly from the social-policy sectors. The process came to be known as the Government–Nonprofit Sector Initiative (GNPI). The GNPI is still very much a work in progress at the time of writing. The original goal was to have the task forces set the terms of reference for the researchers, to comment on the papers as they took shape and then for the revised versions of the papers to feed into a comprehensive discussion paper and recommendations that would feed into the second and larger round table event in late July 2008. Similar to the VSI process, however, each of the task forces saw the value of deliberation and dialogue between government and sector representatives on perceptions, definitions, concepts and frameworks, and also sought to shape the discussion papers and explore how the recommendations from each task force might link

to the others. There were more requests for information, so the secretariat commissioned additional background papers. It was agreed to incorporate a broader First Nations presence into the process. With time lines sliding, it was agreed to delay wider consultations until recommendations were finalised and to use the July 2008 round table as a final meeting of the task forces, leaving the final public round table event to take place in autumn 2008. The co-chairs agreed to continue to lead the process, and it was announced that the GNPI secretariat would be transferred to the Ministry of Housing and Social Development, which was led by a deputy minister on the steering committee.

There is not the space here to delve into the working recommendations of the task forces (and there are many!) or all the considerations that have gone into drafting the report, but a few observations are in order. First, despite awareness of the models from other jurisdictions, many participants resisted focusing too much on accords, legislation and engaging politicians. Rather, there has been a desire to secure on-the-ground impacts and quick wins, and build a process that can withstand the coming and going of governments. Second, it was recognised that the government–non-profit/voluntary sector relationship proceeded at four levels (program, policy sector, horizontal initiatives and sectoral) and that, despite all of the change arising from restructuring, there were many examples of good and positive practice that relied on ingenuity, dialogue and using flexibilities to achieve better outcomes for both parties. Third, there was widespread agreement that the ‘value propositions’ for non-profit/voluntary organisations delivering services as well as the government-sector relationship had to be made clearly and persistently. Fourth, while the non-profit form of mobilising effort was used extensively off-reserve, particularly by the system of Aboriginal Friendship Centres in urban settings, it had not been employed by First Nations communities. With the ‘new relationship’ and treaty settlements in British Columbia there is the possibility that non-profits could be used more extensively. Finally, in addition to developing a jointly managed structure to continue the GNPI process, set up a web site and host future round tables or summits, it was recognised that each partner would have to deepen capabilities and structures, reaching into government and the non-profit/voluntary sector respectively, if the process were to be sustained and the envisioned gains secured.

Conclusion: some reflections to consider

This chapter has presented two Canadian cases that illustrate some of the challenges and dynamics of fostering and galvanising government–non-profit/voluntary sector relations and collaboration, recognising that many such initiatives are in progress in Australia and elsewhere in the world. Such initiatives, properly understood, are increasingly about creating a productive and equitable environment in which non-profit and voluntary sector organisations can realise their potential to innovate and meet the needs of citizens

and communities—often in concert with government. This chapter has suggested that such initiatives represent efforts to find productive ground between the broad currents of new public management and strengthening civil-society approaches, and are consistent with and give expression to some of the original notions underpinning early alternative service-delivery thinking in Canada. More generally, as these initiatives unfold and take shape, they hold the promise of infusing the concepts of collaboration, transparency, risk sharing, accountability and capacity, among others, with richer meaning.

Phillips (2005), in analysing the launch of the VSI, highlighted the important role of serendipity in fostering government–voluntary sector relations. Her account shows that while chance plays an important role, shrewd strategising can also take better advantage of political opportunities as they arise. Undoubtedly, such an analytical frame can illuminate understanding of how any such collaboration emerges in different jurisdictions, but what has been made less clear is that the same dynamics are always at work, and can crowd out what was once a priority and move it quickly down a government's agenda. This happened to the VSI under the Martin Government and in British Columbia when the Campbell Government dissolved the Ministry of Community Development, Cooperatives and Volunteers. This poses an interesting challenge for officials and non-profit sector leaders seeking to improve relationships and design sustainable governance regimes.

What are the right amounts and levels of formalisation, institutionalisation and engagement between the two sectors? On one hand, while political engagement—particularly from ministers and governments—can be critical with respect to liberating resources, establishing or responding to task forces and commissions and passing legislation, such support can be fickle. Indeed, it could be prudent to not rely too heavily on political engagement at the highest levels, which can be evanescent or sideswiped by other priorities, or can be seen as being associated with the political platform of a particular government. Moreover, a sitting government could have difficulty with the advocacy of certain policy positions from certain quarters of the non-profit and voluntary sector. With this in mind, perhaps the early focus of government–non-profit sector initiatives should be on improving communication and learning across the sector, sharing innovation and experiences from all parts of the sector and those of other jurisdictions, building capacity in government and the sector to better manage contracts and relationships and finding ways to improve accountability and management. This suggests a strategy that focuses on fostering the relationship between government officials and non-profit sector representatives and keeping elected representatives of all persuasions informed and engaged as required.

The worry of elected governments and the sector about the extent to which non-profits and voluntary organisations should exercise their voice and engage

in political advocacy, of course, remains. I see this, however, as a matter for the sector to deal with: it needs to develop further functional specialisation, creating or leveraging other organisations not involved in service delivery to undertake evaluations and studies and advocate for new or changed policies and programs. Many such organisations exist in the form of university or non-profit think tanks and provincial and national associations of one kind or another. These are the organisations that need to make the case for the sector on specific issues. When we look back to the success at the federal level in Canada and in British Columbia, we can see that the focus was on improving the context for the non-profit and voluntary sector and how it might better work with governments to improve public value, not arguing for specific substantive policies. These are crucial lessons to bear in mind.

The question of design also leads one to consider what should be the ultimate shape and content of a regime for overseeing government–non-profit/voluntary relations. Comparative analysis in the literature (for example, Carter and Speevak Sladowski 2008) has reviewed the frameworks in several jurisdictions and developed a check list for a fully elaborated system. This work focused primarily on erecting such systems and calls for heavily institutionalised and regulated systems. It tends not to examine closely what might be the best strategic approaches for building regimes in jurisdictions with different governance and sector realities, although Phillips (2003b) stands as an exception, looking closely at early phases of development in five jurisdictions. This is important because the context in which such initiatives begin can have great variation in the relative degree of coordination and capacity of the government and non-profit and voluntary sectors (Atkinson and Coleman 1989), suggesting a focus on different development paths. Moreover, closer research is required on how well such systems work, the extent to which they are sustainable across different governments or are fraught with their own challenges and whether non-profit and voluntary organisations, as well as government partners, feel well served by them. It is one thing to design and launch such regimes, and quite another to work under them. We need to know how such systems mature in a decade or two, how long it takes for cultural change to work through the partner sectors and when strategic institutional ‘lifts’ or step-wise investments in additional ‘bricks’ are made; such insight could usefully be framed with agenda-setting models as well. This suggests exciting directions for the next generation of systematic research to explore.

Finally, the literature to date does not fully recognise the complexity of the challenge of fostering government and non-profit and voluntary sector collaboration. Cultivating such collaboration is best understood as a complex policy challenge that reaches across different policy domains (each with its own unique challenges), involves fostering relationships at different levels (peak, sectoral, program and front-line), embraces diversity in the size and scope of

participating organisations, works across different governments, that needs to address the evolving priorities of governments and communities, that must contend with considerable turnover in personnel and has long-term time horizons. In addition to the use of agenda-setting frameworks, it might be useful to consider these initiatives as similar to the challenges of launching and sustaining whole-of-government and joined-up government (Commonwealth of Australia 2004) and comprehensive policy interventions (Desveaux et al. 1994), and employ some of those frameworks. This should help sharpen expectations and thoughts about institutional design for government–non-profit/voluntary sector initiatives, and ascertain what is unique about them. Conversely, further accounts of government–non-profit/voluntary sector collaboration could usefully inform the whole-of-government and comprehensive policy innovation literature.

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ENDNOTES

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² For example, *Taking the Accord Forward* (December 2003); *The Journey Continues* (December 2004); *Capacity Joint Table Advisory Committee* (September 2005).

³ See Good (2003) on the HRDC grants and contributions scandal. It is ironic that HRDC was one of the principal departments in moving the VSI forward, and David Good co-chaired one of the sectoral task forces.

⁴ Imagine Canada was formed out of a merger of the Coalition of National Voluntary Organizations and the Canadian Centre for Philanthropy in the wake of the Voluntary Sector Initiative.