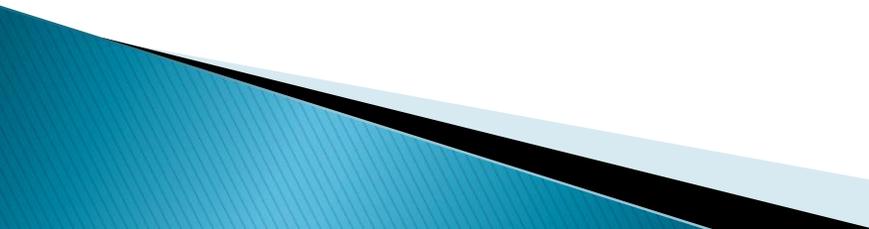


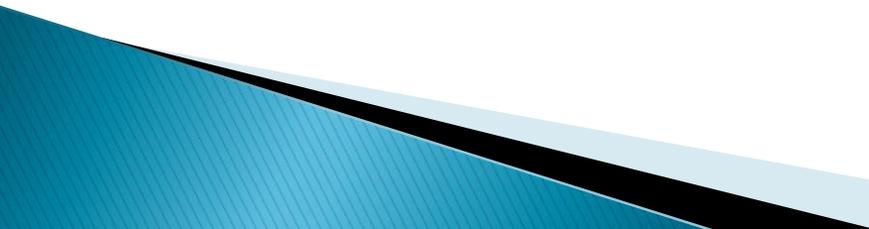
Government and Community Relations

Chapter 6 and Suggested Readings 7 & 8

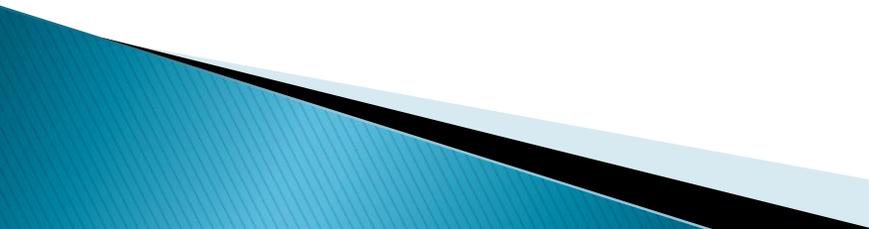
Managing Up and Outwards

- ▶ Change is a constant in the world of nonprofit organizations, particularly in their relations with other organizations and the public. Societal and economic changes may force changes in relations with governments.
 - ▶ Governments may also impose new demands or pressures through new contracting, funding or accountability arrangements, by re-evaluating current services or program delivery, or by requiring nonprofit organizations to fulfill new roles in either the policy process or society.
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Managing Up and Outwards

- ▶ To function effectively in this increasingly integrated world, an understanding is required of four dimensions of the changes.
 - 1. Federal and provincial levels of government are moving away from traditional “command and control” models of government to what is known as a “governance model”. However, tensions continue as government often still attempt to retain control and enforce accountability requirements that are not negotiated but imposed and at variance with the nature of the service or program.
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Managing Up and Outwards

2. Pressures are building on nonprofit managers to look to the corporate and business sector as allies in serving Canadians. However, these two sectors have been viewed as competitive or antagonistic towards each other.
 - The “market failure” theory of nonprofit characterized them as providing programs and services where the private sector had failed;
 - nonprofit has often been critical of the operation and motive of the private sector;
 - as resources become scarce nonprofit becomes more dependent on the private sector; and
 - the private sector has started to shift to more socially responsible endeavors and exploring more strategic investment in the nonprofit sector.
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Managing Up and Outwards

3. Nonprofit organizations have to increasingly be creative in building relationships with other nonprofits and private sector organizations in order to reduce overlap or duplication in services or to rationalize management structures.

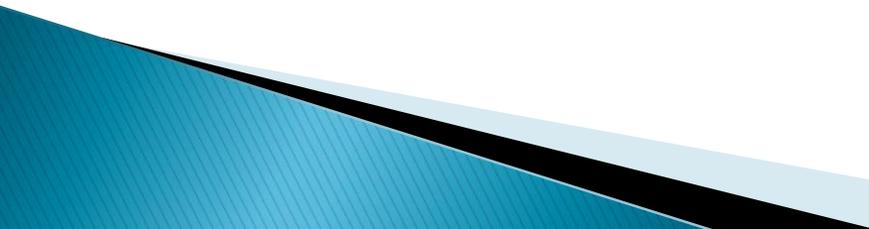
These relationships are necessary to the vibrancy and sustainability of the nonprofit sector

Managing Up and Outwards

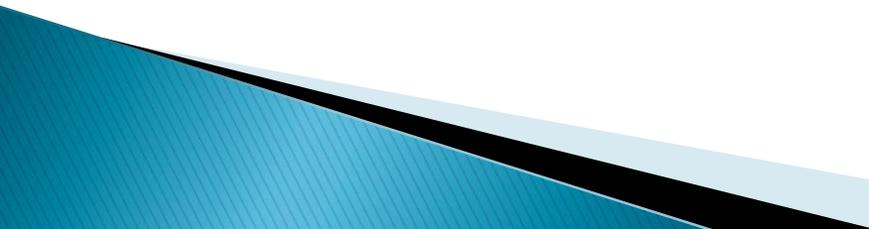
4. As nonprofit organizations exercise more influence in policy design, development and delivery, they have come under more scrutiny.

Not only is the office of the Auditor General examining the relationships established between nonprofits and the government more closely, they also publically report and the media are tracking nonprofit's performance on a more sustained and regular basis.

Government to Governance – Trends in Government /Nonprofit Relations

- ▶ In many cases, nonprofit organizations execute government policies through the provision of services to citizens.
 - ▶ This relationship may be through contractual arrangements or the nonprofit may consider themselves independent of the government however increasingly affected through the myriad of legislative arrangements and regulations governing their daily operations.
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Government to Governance – Trends in Government / Nonprofit Relations

- ▶ **Accountability, the Westminster Model of Government and Nonprofit Services**
 - With globalization, governments are increasingly expected to build community, position their countries economically, and ensure national security in all its forms, all while their capacity is being diminished through reorganization, streamlining and reducing expenditure.
 - Paradoxically, there is the emergence of an audit society, a citizenry that is more aggressive and less deferential.
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Government to Governance – Trends in Government /Nonprofit Relations

- ▶ Demands for greater transparency in the conduct of public business by political and administrative official, increased public access to government information, more explicit standards of public service entitlements and rights, enhanced citizen consultation and engagement in policy development and in the design and delivery of public services, and among other things, public reporting on the performance of government.
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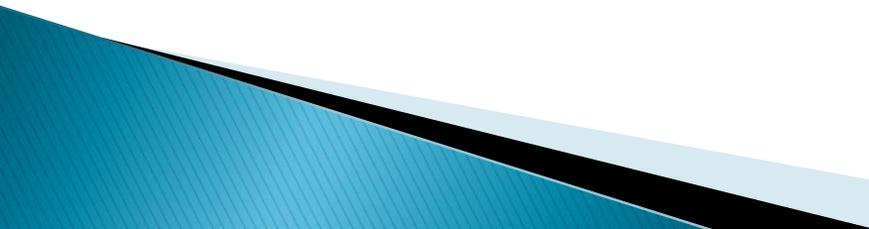
Government to Governance – Trends in Government /Nonprofit Relations

- ▶ The result is a system that is measured less in terms of process and inputs and more in terms of outputs and outcomes – efficiency and performance evaluation become the hallmarks of government action.
 - ▶ Accountability is the new buzzword
 - ▶ What is accountability in government?
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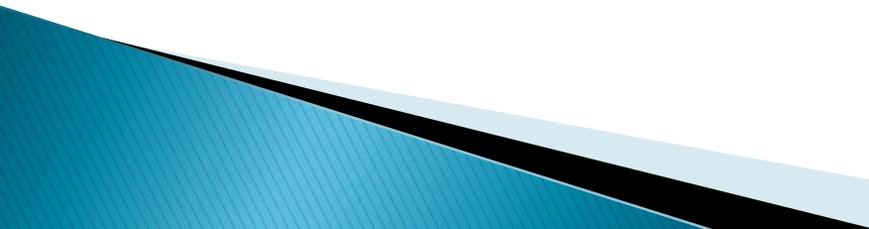
Government to Governance – Trends in Government / Nonprofit Relations

- ▶ What is accountability in government?
 - The constant is that accountability literally means “to hold to account”, or “capable of explanation”.
 - In a political system like the Canadian one characterized by the Westminster parliamentary model of government, accountability translates into:
 - The ability of citizens to hold governments responsible;
 - The ability of politicians to oversee and ensure the system responsiveness; and
 - The power of the courts and tribunals to ensure that public officials conform with the powers of their offices.

Government to Governance – Trends in Government /Nonprofit Relations

- ▶ There are three central tenets of accountability within the parliamentary system:
 - To control for the abuse and misuse of public authority;
 - To provide assurance in respect to the effective use of public resources and adherence to public service values; and
 - To encourage and promote learning in pursuit of continuous improvement in governance and public management.
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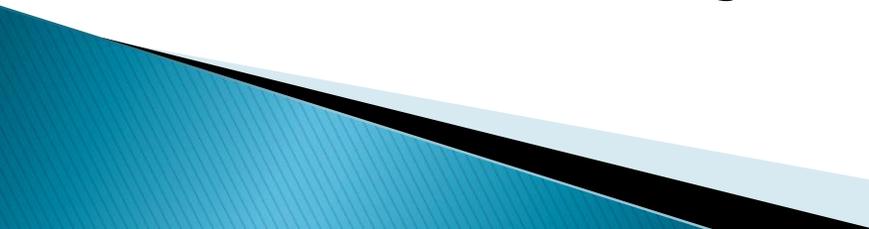
Government to Governance – Trends in Government /Nonprofit Relations

- ▶ Government requirements for accountability have been largely accepted by nonprofit organizations but do cause consternation for five principle reasons:
 1. Greater accountability to the public sector is not uniformly embraced across the nonprofit sector;
 2. Stricter public sector reporting requirements can increase bureaucracy within agencies at the cost of flexibility, informality, internal control over operations and responsiveness to members or beneficiaries;
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Government to Governance – Trends in Government /Nonprofit Relations

- ▶ Government requirements for accountability have been largely accepted by nonprofit organizations but do cause consternation for five principle reasons:
 3. Dependence on government funding and entering into shared arrangements with government departments may compromise an organization's independence and its ability to serve as an advocate for the sector or to criticize government policy;
- 

Government to Governance – Trends in Government /Nonprofit Relations

- ▶ Government requirements for accountability have been largely accepted by nonprofit organizations but do cause consternation for five principle reasons:
 4. In the quest for efficiency, governments have imposed upon nonprofit organizations principles of “new public management” including the market ethos; and
 5. To meet the externally driven notions of accountability and efficiency, nonprofits may be obliged to move away from traditional strengths such as diversity and democratic (or grassroots) ethos.
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Government to Governance – Trends in Government / Nonprofit Relations

- ▶ **Understanding the nature of the relationship with Government**
 - The relationship between the state and the nonprofit sector will be influenced by the functions each side performs, the method of financing, the historical context, as well the political culture and social context of the relationship.
 - The relationship may be complex since both governments and organizations have multiple roles – may have one set of roles with respect to their service functions and another with respect to their representational or advocacy functions.
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Government to Governance – Trends in Government / Nonprofit Relations

- ▶ **Understanding the nature of the relationship with Government**
 - To make sense of the complexity, there are four basic models of the types of relationships that exist between the state and sector:
 - **Government Dominant** – typical of modern welfare state arrangements – provide both the main funding resources and services to the public;
 - **Third Sector Dominant Model** – found where there is opposition to large role for the state in social welfare provisions, organizations play the key role in financing and delivery of services;
 - **Dual Model** – the state and sector operate relatively autonomously of each other; and
 - **Collaborative Model** – both act but tend to work together and most often with the state as the funder and sector organizations as service providers.

Government to Governance – Trends in Government / Nonprofit Relations

- ▶ **Understanding the nature of the relationship with Government**
 - The federal authority over nonprofit sector as determined by its constitutional jurisdiction over taxation is misleading and too narrow. There is a comprehensive and conflicting regulatory regime that encompasses seven areas of authority over charities and nonprofit organizations:
 - Accountability
 - Regulation of access to policy formulation
 - Corporate status
 - Direct funding
 - Tax expenditure funding
 - Regulation of lobbying
 - Regulation of participation in elections

Government to Governance – Trends in Government / Nonprofit Relations

- ▶ **Challenges in Developing and Maintaining Relationships with Governments**
 - Is it primarily a policy, service delivery, funding or advocacy relationship?
 - There are three main challenges in developing and maintaining a policy relationship with government:
 1. An organization must gain access to the relevant government actors in a policy field;
 2. An organization must maintain policy access; and
 3. An organization must assess the quality and extent of their influence on a policy issue when determining whether to engage.

Government to Governance – Trends in Government / Nonprofit Relations

- ▶ **Challenges in Developing and Maintaining Relationships with Governments**
 - Is it primarily a policy, service delivery, funding or advocacy relationship?
 - There are three main challenges in developing and maintaining a service relationship with government:
 1. There must be agreement to who is in control and what roles do each have to ensure solid or improved service delivery;
 2. An organization must provide a realistic assessment of its strengths and capacity; and
 3. An organization must learn to say no when arrangements are not adequately resourced or the mission and objectives of the nonprofit will be compromised unduly.

Government to Governance – Trends in Government / Nonprofit Relations

- ▶ **Challenges in Developing and Maintaining Relationships with Governments**
 - Is it primarily a policy, service delivery, funding or advocacy relationship?
 - A key challenge in developing and maintaining a funding relationship with government has been the over towards contribution agreements and away from sustaining grants.
 - Contribution Agreements are favored in the public sector as a means to ensuring stricter performance measures and reporting – these agreements have specified eligibility, terms, outputs and reporting requirements.
 - These agreements have also created heavy reporting requirements, lapse or delays in funding, inconsistent standards for approval and changing requirements in agreements have produced frustration between the federal government and the nonprofit sectors.

Government to Governance – Trends in Government /Nonprofit Relations

- ▶ **Sector Wide Relations: The Significance of the Voluntary Sector Initiative**
 - The Federal Government –Voluntary Sector Initiative (VSI) was a five year \$94.6m initiative launched jointly by the volunteer sector and the federal government in 1999.
 - The VSI changed the nature of the relationship between the federal government and nonprofit sector and inspired other provincial initiatives to look at the volunteer sector and its role in policy.

Government to Governance – Trends in Government /Nonprofit Relations

- ▶ **Sector Wide Relations: The Significance of the Voluntary Sector Initiative**
 - Through the VSI initiative, the vision document reveals five major outcomes with specific deliverables. The VSI intended to:
 1. Improve and sustain a dialogue or collaboration between the federal government and voluntary sector in areas of mutual interest with the broader goal of improving quality of life for Canadians.

Government to Governance – Trends in Government /Nonprofit Relations

▶ **Sector Wide Relations: The Significance of the Voluntary Sector Initiative**

- Through the VSI initiative, the vision document reveals five major outcomes with specific deliverables. The VSI intended to:

2. Strengthen the capacity of the voluntary sector to serve Canadians well through the development of strategic approaches to building human resources, financial management, information technology and management capacities with the necessary resources.

Government to Governance – Trends in Government /Nonprofit Relations

- ▶ **Sector Wide Relations: The Significance of the Voluntary Sector Initiative**
 - Through the VSI initiative, the vision document reveals five major outcomes with specific deliverables. The VSI intended to:
 3. Increase awareness of the contributions made by volunteers and role of the voluntary sector in Canadian society.

Government to Governance – Trends in Government / Nonprofit Relations

- ▶ **Sector Wide Relations: The Significance of the Voluntary Sector Initiative**
 - Through the VSI initiative, the vision document reveals five major outcomes with specific deliverables. The VSI intended to:
 4. Address the need for more information about the sector and its role in Canadian life with the creation and funding of ongoing mechanisms such as the Canadian Survey on Giving, Volunteering and Participating, the Statistics Canada Satellite Account to the Systems of National Accounts, and the National Survey of Nonprofit and Voluntary Organizations.

These data collection devices will provide the longitudinal data required to map the sector and its trends and to inform policy decisions about the sector and provide more exact information on the contribution of the sector to Canadian's social and economic life.

Government to Governance – Trends in Government /Nonprofit Relations

▶ **Sector Wide Relations: The Significance of the Voluntary Sector Initiative**

- Through the VSI initiative, the vision document reveals five major outcomes with specific deliverables. The VSI intended to:

5. Envision a streamlined regulatory framework, revised tax for with clarified definitions of allowable activities for charities and a review of liability for members of the board of directors of organizations.

Further to this, the initiative envisioned greater clarity, consistency, and transparency in the funding relationship between the sector and state.

Partnering with the Corporate Sector

- ▶ The relationship between nonprofit and the corporate sectors are currently in transition.
 - ▶ As governments have shifted from hierarchical modes of operation towards governance and horizontal relations, nonprofits and businesses have had to reevaluate and re-orient their policy and public roles.
 - ▶ Nonprofits and businesses have moved towards viewing each other as allies more than antagonists with the urging of governments.
- 

Partnering with the Corporate Sector

- ▶ With reductions in Government funding for nonprofits, it has required them to look to the corporate sector for more sustained sources of revenue while encouraging corporations to accept more responsibility for social ills.
 - ▶ Nonprofits have realized that the relationship is not just dependency on business for funding, but a mutual one in which they can provide business with community knowledge and more legitimacy as creators of social value.
 - ▶ What examples can you identify where nonprofit and corporate sectors have partnered both in funding and social value?
- 

Partnering with the Corporate Sector

Three main types of relationships have emerged:

- ▶ Competitors – for profit and nonprofit may at times compete to provide similar services (as seen in home care and CED services)
 - ▶ Partners or allies – for profit and nonprofit partnerships can ascend from arm's length to full engagement; or
 - ▶ Dependants – cheque-book philanthropy
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Partnering with the Corporate Sector

Partnerships between Nonprofits and For Profits



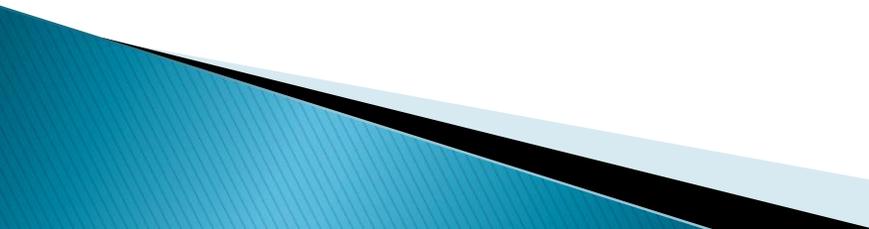
Nonprofit Partnering



Partnering with the Corporate Sector

- ▶ Several elements that have to be watched in order to sustain this relationship and any joint ventures:
(COMMON)
 - **Communicate** – internally and with each other;
 - **Opportunities** – both partners seek out new opportunities to grow in the relationship;
 - **Mutually** – both sides mutually contribute;
 - **Multiple** – engage at all levels – champions;
 - **Open**–keep the relationship open ended; and
 - **New** – create new value for both partners.

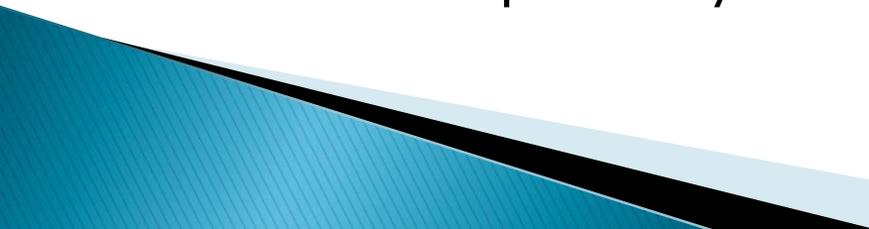
Building with other Nonprofits

- ▶ Nonprofits can form alliances with each other. These relationships take the form of umbrella organizations, coalitions to lobby funders or policymakers, strategic alliances, joint endeavors, and even mergers.
 - ▶ Although this is not a new concept for nonprofits to work together; what is new is the call by funders to submit joint funding proposals in an increasingly wide range of areas.
 - ▶ These “forced alliances” create a number of challenges for organizations.
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Public and Media Relations

- ▶ Nonprofit organizations are subject to a higher level of public scrutiny than ever before.
 - ▶ Media are regularly tracking the performance of organizations – arguably through their lenses.
 - ▶ Media coverage of nonprofit and voluntary organizations often focuses on problems rather than the contributions.
 - ▶ Often a broad-based public relations campaign could counteract bad press, raise awareness of the value of the sector, and educate the public about actual cost of and need for the programs and services.
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Public and Media Relations

- ▶ Larger organizations have traditionally had strong public relations campaigns, smaller and medium-sized organizations are realizing the need to reach the public beyond featured events like fundraisers.
 - ▶ Some organizations have a public relations expert on their Board of Directors.
 - ▶ Three immediate benefits of a sustained public relations campaign tend to ensure:
 - media reports are better informed;
 - trust is built between the media and the nonprofits; and
 - better response by media to a crisis or critical story.
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In summary...

- ▶ Building government and community relations requires nonprofit organizations to use their resources strategically and wisely in an increasingly complex world where the roles and responsibilities of the three sectors are eroding and blurring.
 - ▶ Dialogue, clarity of mission, knowledge of the broader community, and flexibility in action will be traits that allow organizations to take advantage of the opportunities embedded in the changing relations between nonprofits and the external world.
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