

pole of attraction for collective action endeavours for the past thirty years because it has been a strong supporter, both financially and institutionally, of voluntary organizations.

The federal government has played an important role in developing and maintaining Canada's social programs. Departments such as the former Health and Welfare Canada, Canadian Heritage, Health Canada, Citizenship and Immigration, and the former Human Resources Development Canada have all had responsibilities that overlap with the role of voluntary organizations. Early in Canadian history, voluntary organizations assisted federal departments by delivering programs and providing services on their behalf in remote locations. The work of voluntary organizations led to the establishment of orphanages, hospitals, and care facilities across Canada.

Moreover, the federal government has a long history of providing direct support for voluntary organizations in the form of grants and contributions.¹ As far back as the first decade of the twentieth century, the federal government provided ad hoc financial assistance to voluntary organizations such as the Canadian Lung Association and the Victorian Order of Nurses. As voluntary organizations' financial burden grew, the federal government provided financial support via core funding. For example, voluntary organizations working in the area of health promotion received federal funding through programs such as Neighborhood Horizons and the Health Promotion Contribution Program. In 1997-98, \$4.2 billion was spent annually by the federal government in direct funding to support programs and services delivered by voluntary organizations (Treasury Board Secretariat 2001).

In addition to direct funding, the federal government provides indirect financial support through tax relief for registered charities.² Tax incentives for charitable giving are not new; the federal government institutionalized them in the 1960s. However, they have expanded in the last decade. This system is accompanied by a regulatory framework under the Canada Revenue Agency – formerly Revenue Canada – that serves to determine which organizations qualify for charitable status and to monitor the conduct of those registered. Revision of this regulatory

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In the past decade, substantial changes in Canada's political and economic environment have impacted the voluntary sector. The rise of neo-liberalism, the dismantling and restructuring of the welfare state, and the devolution of responsibility for social programs onto other levels of government are all driving a shift in the governance process. Context, circumstances, and the quality of relationships among the actors are of crucial importance for understanding the unfolding governance dynamics.

Looking Back

Voluntary organizations in Canada have long played an important role in the policy process, as both a source of services and a vehicle for political participation and citizen engagement. They have a history of working with the federal government to meet the needs of Canadians, and there are longstanding points of intersection between them. While the primary responsibility for social services, health, and education has always rested with provincial and municipal governments, the relationship between the federal government and voluntary organizations is nonetheless important. In fact, the federal government has served as a

framework is currently under negotiation. Each province also has its own charitable tax credit rate; these vary substantially from one province to another.

Finally, the federal government recognizes the role of voluntary organizations not only financially, but also politically. In response to the national unity crises that began in the 1960s, the federal government encouraged the mobilization of organizations around various facets of Canadian identity by supporting, for instance, official language minority groups, multicultural organizations, and women's groups. Through the Secretary of State programs such as the Citizenship Branch, the federal government provided operational funding for the representational activities of national voluntary organizations in order to foster inclusivity and a sense of national citizenship (Jenson and Phillips 1996; Pal 1993). Collective action allowed disadvantaged groups equal access to the polity and was regarded by the federal government as a means for citizens to attain and practise citizenship skills.

In the 1970s and 1980s, Canadian voluntary organizations continued to prosper, thanks to institutional recognition and broader access to formal and informal policy-making channels (Dobrowolsky 1998; Pal 1993). In particular, the women's movement mobilized extensively during this period and gained recognition as a valuable interlocutor in policy making (Dobrowolsky 1998, 2000). The federal government conferred legitimacy on voluntary organizations as mobilizers of collective action, and advocacy was considered a legitimate activity. This legitimacy carried into the universe of political discourse as advocacy groups were recognized as valuable and credible actors. By the 1990s, national voluntary organizations had matured into strong advocates on many policy fronts.

These particularities of the Canadian context and the relationship between the federal government and voluntary organizations have significantly shaped the contours of the political space and the scales of action. The favourable social and political environment of the 1980s not only fostered the growth of the voluntary sector by facilitating the organization of various groups, but also made the sector more dependent on the federal government for core funding. Contracting for services still occurred mainly at the provincial level. Nevertheless, because core

funding enabled voluntary organizations to allot resources to advocacy activities, representational activities and collective identity-building initiatives were closely tied to federal government resources.

For this reason, Canadian voluntary organizations have a long tradition of focusing their energies on lobbying the federal government even though most social programs are delivered by the provincial and municipal levels of government. In fact, representation of voluntary organizations at the provincial level of government has traditionally been weak in Canada. The provincial structures of voluntary organizations tend to overemphasize individual subfields or 'silos.' With subfields organized vertically through provincial and national umbrella organizations, there has traditionally been relatively little interaction between voluntary organizations across these silos at the provincial level. This has significantly undermined their capacity to develop an integrated peak umbrella organization to represent the sector as a whole. In fact, until the mid-1990s, there was no coordinated action or leadership on behalf of the voluntary sector in Canada.³ Voluntary organizations did not even recognize themselves as belonging to a large community called the 'voluntary sector.' The identification with such a collective entity would develop only later.

Shifting the Governance Process

After 1990, the terrain shifted. Although the federal government has always worked collaboratively with voluntary organizations, the extent of transformations that occurred in the governance process in the mid-1990s required a re-examination of the relationship.⁴ These transformations compelled voluntary organizations to ask how their interests should best be articulated and represented in the governance process and, taken together, they formed the basis of a changing governance context.

Governance in Canada has, indeed, changed remarkably in the last decade as the federal government has come under increasing strain. Tensions arise from the pressures to reduce government expenditure while simultaneously reforming state bureaucracy. Declining trust in politicians and political institutions has also increased pressure for more transparent and inclusive decision-making process (Nevitte 1999).

Zussman 1997). Demands for greater scrutiny, in terms not only of efficiency and effectiveness but also of openness and transparency, have contributed to making the performance of the federal government in the spheres of service delivery and policy making a priority (Paquet and Shepherd 1996). As a result, Canada, like many other industrialized countries, has been subjected to a wide range of public sector reforms. Modes of governance have moved decidedly away from traditional hierarchical command and control. More interactive, collaborative forms of governance are now required. The need for collaboration and coordination is creating new spaces for voluntary organizations within the policy process. While the shift in governance is not as pronounced in Canada as in the UK, some of the reforms and practices are manifest in the Canadian context and can be dated from roughly the mid-1990s on.

Governance in the Sphere of Service Provision

In the early 1990s, the federal government began a process of modernizing the political and administrative system and embarked on a major review of the machinery of government. The government renewal program had three objectives: reducing federal expenditures; clarifying the core responsibilities of the federal government and rebalancing the division of labour among the different levels of government and the private and voluntary sectors in the Canadian governance system; and equipping the federal public service with the tools necessary to improve the efficiency of public sector management (Paquet and Shepherd 1996). Under this initiative, the federal government specifically examined the efficiency and effectiveness of federal departments and agencies in an effort to discover ways to streamline government operations.

Broadly speaking, one of the main outcomes of restructuring has been the development of a leaner public sector. In 1993, under a government reorganization, the number of cabinet ministers was reduced from forty to twenty-four, small departments were merged into larger departments via the creation of Human Resources Development Canada and Industry Canada, and the Office of the Comptroller-General was folded into the Treasury Board Secretariat. These changes significantly shrank the size of the state (Swimmer 1998).

The move to disentangle responsibilities within the social policy sector also led the federal government to divest itself of some program delivery responsibilities in favour of the provinces. One of the first outcomes of this divestment approach was the creation of the Canada Health and Social Transfer (CHST) program, which combined the federal government's financial contributions to the cost of provincial and territorial programs in the areas of health, social services, and post-secondary education into one comprehensive transfer program with fewer conditions attached. Until 1996, federal financial assistance for social assistance and social services had been transferred to the province and territories through the Canada Assistance Plan, which tied the resources to particular social policy areas. Provinces and territories nevertheless had a certain degree of flexibility in the allocation of resources. Although the creation of the CHST was clearly part of a major cost-cutting exercise, it was also designed to reduce the federal role in service delivery.

In many ways, the CHST set the pattern for future social policy debates, involving the need for interactive forms of governing among wider range of participants. With block funding, the federal government is no longer in a position to guarantee that monies are being spent in designated areas or to ensure that standards in social programs are being met. To achieve these goals, the federal government must now rely on the cooperation of the provinces and on indirect forms of control. To re-exert its social policy leadership, it has had to develop new institutional arrangements and mechanisms (Boismenu and Graefe 2004).

The Program Review launched in 1994 also played a key role in reshaping the relationship among the public, private, and voluntary sectors. At the time, the federal government was concerned mainly with reducing the size of the public service. Swimmer (1998, 4) describes the Program Review as follows:

The underlying ideology of the exercise is to determine the "core role of government," which will reduce the size of federal government to the appropriate level ... based on a belief in the superiority of private sector management styles, which translates into fostering

competition in the public sector, decentralizing responsibilities by a separation between policy making (steering) and implementation (rowing), and providing quality service delivery, often through the use of private sector partners.

Under pressure to reduce costs and increase performance, the federal government also began to rethink ways of providing services. The Program Review assessed the federal government's responsibilities and examined all government programs to determine the most effective and cost-efficient form of service delivery. Although the Review considered commercializing some federal activities, delegating service delivery to private and voluntary organizations was ultimately seen as an effective way to cut costs while maintaining the same level of services. The federal government withdrew from services that could be better delivered by external parties and began working in partnership with other levels of government and the private and voluntary sectors.

On 7 March 1996, the federal government further pursued the objectives set out by the Program Review through a new initiative called Getting Government Right. The federal government set out four priorities for improving the delivery of services:

- Redefine the roles and responsibilities of the federal government.
- Ensure that resources are devoted to the highest priorities so that Canada is well positioned to face the economic and social challenges of the twenty-first century.
- Respond to the public demand for better and more accessible government by involving clients more in decision making.
- Achieve more affordable government by reducing the deficit and debt pressures, and allow the government to effectively address issues that are important to Canadians (Treasury Board of Canada Secretariat 1997).

The Program Review was important for a number of reasons. First, it emphasized new service-delivery mechanisms, such as contracting and partnerships among public and voluntary organizations. These

mechanisms potentially created opportunities for voluntary organizations to play a larger role in the governance process, but they a potentially transferred the burden for transparency and accountability onto these organizations. New roles and responsibilities are inevitable accompanied by increased expectations. Therefore, by promoting a service delivery mechanisms, the Program Review altered the institutional context within which voluntary organizations operated and understanding of the role and expectations that they were to fulfil the governance process.

Second, the Program Review signalled a shift in the universe of political discourse. Voluntary organizations had long been providers of services. However, in the context of the Program Review the idea that social policy could be delivered in a more cost-effective way by relying on volunteers gained increased salience. Voluntary organizations were perceived as an under-utilized resource – one that could provide a pool of untapped volunteer activity and be harnessed for rendering services in a more cost-effective manner. In the 1990s, official federal government documents' terminology of choice was 'volunteer sector,' placing emphasis on the valuable work being done by volunteers and voluntary organizations. Much policy attention was also directed toward economic contribution of volunteer activity. This shift in discourse significant because prior to the Program Review, the federal government had placed value on the representational activities of voluntary organizations. After the Program Review, most of the federal government's policy focus with regard to voluntary organizations pertained to service delivery.

Third, the Program Review changed the institutional relationships between line departments and voluntary organizations in three important ways. The first was a redesign of the funding regime, which more targeted funding for the voluntary sector and for specific projects (Eakin 2001; Reed and Howe 2000; Rekart 1993; Scott 2003, 20 Shields 2002). The second was a move toward contract culture (Bro and Trout 2004; Graham 2009). The third was a tightening of regulatory framework that governed the relationship between line departments and voluntary organizations.

Redesigning the Funding Regime

The Program Review set in motion a broad redesign of the federal funding regime. The move toward greater contracting with voluntary organizations for service delivery was accompanied by more short-term, contract-based funding arrangements. Responsible fiscal management became the mantra as the federal government began to review its role in the funding of voluntary organizations (Jenson and Phillips 1996; Phillips 2001a; Rice and Prince 2000; Shields and Evans 1998). The 1992 mini-budget announced funding cuts of 20 percent for voluntary organizations over the following two years, and the 1993 budget further cut funding by 15 percent (Griffin Cohen 1997; Phillips 2001b). These cuts were directed mainly to core operational funding programs, many of which were dissolved.

By the mid-1990s, the devolution of responsibilities, contracting out, and the downsizing of the federal public service had generated much opposition from social policy critics and advocacy organizations – many of which had benefited from core operational funding from the federal government in the 1980s. Voluntary organizations involved in advocacy quickly came under attack and were branded as special interest groups. As defined by the Royal Commission on Electoral Reform and Party Financing (1991, 228), the term ‘special interest groups’ depicted organizations as being preoccupied with a single issue or cause, thereby “representing at best a limited spectrum of public opinion.” Voluntary organizations were understood to defend parochial interests and to be motivated solely by their particularistic goals (Dobrowolsky 1998; Jenson and Phillips 1996). Shortly thereafter, in 1995, further funding cutbacks were announced, specifically targeting advocacy organizations.

The rise of populism in the early 1990s, which first became obvious with the electoral surge of the Reform Party in 1993, reinforced this discursive shift (Laycock 2002; Sawyer 2004). This brand of right-wing populism advocated for power to be returned to citizens, not be represented by organized interests. In the view of the populists, organized interests had come to exercise too much power in public life. When the federal government conducted a broad public consultation across Canada during the Social Security Review in 1994, the Reform Party

of Canada, in the final report, all but accused special interest groups of lining up at the trough.

This discourse was perpetuated by politicians and the media. John Bryden, a member of Parliament, became a vocal critic of government funding of special interest groups (Bryden 1994).⁵ The media published a number of articles profiling cases of financial abuse and lack of transparency in voluntary organizations. Scandals in well established American organizations seemed to proliferate. For example criminal charges were filed against the chief executive officer of the United Way of America in 1992 for fraud and tax evasion. Canada charitable sector faced similar allegations. Walter Stewart’s book *The Charity Game: Greed, Waste and Fraud in Canada’s \$86 Billion-A-Year Compassion Industry* (the book was withdrawn from publication under threat of lawsuits from voluntary organizations) and *Maclean’s* magazine both featured cases of alleged abuse within the sector in the mid-1990s. Voluntary organizations were placed under public scrutiny and cast in a negative light. As a result, scepticism spread to the general public, which became mistrustful of the work of voluntary organizations (Gibelman and Gelman 2001).

As political discourse began to question the role of voluntary organizations in the representation of interests, voluntary organizations saw their institutionalized access to the state closed off. Secretary of State programs were dismantled and the ability of voluntary organizations to engage in policy debates was profoundly reduced. Many of the prominent national and provincial voluntary organizations of the 1980s had lost multiple allies within the federal government by the 1990s. Equipped to lobby on their own behalf in the face of the funding cuts, voluntary organizations involved in representational activities withdrew from the political scene in order to grapple with their internal struggles and challenges. They were fighting for survival under the pressure to restructure their finances.

Whereas the 1980s marked a rise in state funding of advocacy organizations, in the 1990s these organizations were pushed to limit themselves to service delivery as funding was cut back, and partnerships were encouraged or mandated. This shift was to lead to the marginalization

of identity-based groups, such as women's groups and visible minority groups, that had been lobbying the federal government for over a decade (Bashevkin 2002; McKeen 2004). However, it would also encourage different forms of political organization within the voluntary sector, leaving room for a new vision to emerge, around which new practices could be articulated. As one door closed, another opened.

The redesign of the funding regime that followed the Program Review had important institutional and discursive effects. The federal government explicitly created opportunities for voluntary organizations that provided services, and closed off opportunities for those that engaged mainly in representational activities. This was reflected in changing access to institutional arrangements, a change in funding mechanisms through which resources were funnelled to voluntary organizations, and discursive signals privileging certain forms of action in the voluntary sector over others.

Moving to Contract Culture

A second significant transformation resulting from the Program Review was a move toward 'contract culture.' A contract is a unique funding mechanism because it specifies the services to be provided. It also includes provisions that set out the obligations of each party in order to fulfil the purposes of the contract. Reliance on this funding mechanism results in the emergence of contract culture. With the Program Review, the involvement of private and voluntary sector organizations in public service delivery rose. The Canadian House of Commons (1994) estimated that the federal public sector contracted \$5.2 billion worth of services in 1992-93. The Treasury Board Secretariat (2001) estimated that 7 percent of this total involved contracts with voluntary organizations for specified professional services. This shift was not unique to Canada. The generalized use of contracts as a means for governments to fund voluntary organizations was also observed in countries such as the UK, Australia, and the United States (Hood et al. 1998; Power 1994, 1997). Even as the federal government increasingly devolved responsibility for service provision onto third parties through contracting, it was faced with equally important pressures to exert control over the functions of

delivery. With interdependence between the parties growing, the federal government had to find new ways of exercising control and coordinating activities. In this context, hierarchical command and control would not work (Aucoin 1995; Paquet 1999). One way that the federal government responded was by redistributing administrative responsibilities within the state apparatus and giving significant freedom to departments to select, negotiate, and coordinate policy implementation with third-party service providers. The federal government also took on a more managerial role, privileging indirect control mechanisms to ensure compliance.

In 1997, the Treasury Board was designated to play an enhanced role as the federal government's management board. This facilitated the move toward results-based management, which enabled the federal government to maintain some degree of control over service-delivery outcomes. Results-based management entails managing on the basis of outputs and outcomes, rather than on the basis of inputs and activities, and resources are distributed in support of specified outcomes. It led to the use of more formal contracts to define the relationship between voluntary organizations and departments. Under these contracts, voluntary organizations were compelled to link their use of resources to established performance indicators and effectiveness measures, which were tracked in order to improve transparency, accountability, effectiveness, and efficiency.

Results-based management fosters contract culture, which can change the role and relevance of voluntary organizations in varied and complex ways. One way is by shifting burdens and responsibilities. Steven R. Smith and Michael Lipsky's (1993) seminal study raised the concern that contracting may undermine the autonomy of voluntary sector organizations. They used the term street-level bureaucrat to describe the new role taken on by voluntary organizations in the contracting regime. These terms highlight the important influence that government exerts on the practices of voluntary organizations through the contracting relationship. Similarly, Josephine Rekart (1993) characterized the voluntary sector in Canada as a shadow civil service and emphasized the extent of its interpenetration with the federal government.⁶

This interpenetration may transform the very nature of voluntary organizations. Contract culture changes the frame of reference for analyzing norms. As voluntary organizations take on more responsibilities, they become subject to guidelines and norms that may be quite different from the prevailing values and norms within the voluntary sector. Placing a premium on effectiveness and productivity can create dissonance within voluntary organizations, which tend to value quality of services over quantity, as well as justice and equity in the form of delivery (Hansmann 1987; Weisbrod 1988). In Canada, John Shields (2002, 18) observed a shift toward professional management within voluntary organizations as a result of contract culture. Phillips and Levasseur's (2004) research also documented the substantial increase in time and resources required of voluntary organizations to meet the measurement and reporting conditions in their contribution agreements. These new exigencies constrained voluntary organizations as they struggled to meet rising expectations.

Moving toward contract culture profoundly affected the institutional and organizational environment of voluntary organizations. Contract culture tied the allocation of funds to new demands and requirements that had the potential to transform organizational structures. How voluntary organizations chose to adapt strategically to the new context and respond to the new demands had a decisive effect on a number of playing fields.

Tightening the Regulatory Framework

The redesign of the funding regime and the move toward contract culture were particularly significant shifts when placed in the context of a tightening regulatory framework. Although not directly tied to the Program Review, the tightening of the regulatory framework in Canada and its effect need to be understood in conjunction with it. The rules and regulations that govern registered charities in Canada are tied to the notion of charity inherited from Elizabethan England. Although they had been in place for a long time, they were brought into force more vociferously in the early 1990s, at a time when voluntary organizations were beginning to increase their fund-raising initiatives

to compensate for the loss of government funding brought on by the Program Review.

To tighten the regulatory framework, the federal government expanded the qualification requirements for charitable status and introduced the requirement to file a non-profit information return, which was aimed at monitoring voluntary organizations more closely. To be eligible to register under the common law, a voluntary organization purposes needed to be charitable and its political activity needed to be ancillary to this. Under the new measure, a voluntary organization had to remain non-partisan, and no more than 10 percent of its time and resources could be dedicated to advocating for legislative change around issues. Before this measure was implemented, voluntary organization had not been subject to such oversight.

Lisa Phillips (2002) has argued that regulatory reform is not simply about improving the quality and effectiveness of regulations, but also plays a role in regulating social relations. She has illustrated how income tax reform has promoted the reprivatization of social reproduction by valorizing some forms of self-reliance over others. If we apply this lens to regulatory reform, we can see that under the tightening of the regulatory framework, the status of charity and what is an acceptable activity for registered charities were redefined (Pross and Webb 2003). The advocacy activities of registered charities were limited, as was the ability for voluntary organizations that engaged in advocacy to access registered charity status.

For many voluntary organizations, having registered charity status is vital to their survival, as it enables them to receive donations from individuals and others. Obtaining charitable status may also facilitate an organization's capacity to enter into relationships with other voluntary organizations, private sector organizations, or even public sector organizations through partnerships, joint ventures, and contractual agreements. From a contractual perspective, charitable status provides legitimacy, and many organizations now insist on working with voluntary organizations that have this status.

A tightening of the regulatory framework may create an unlevel playing field. It can have the effect of limiting access to institutional

arrangements and to resources. Women's groups and visible minority groups, for example, were particularly disadvantaged by the tightening of the regulatory framework because they engaged mainly in representational activities on behalf of their respective constituencies. When examined in conjunction with the cuts to core operational funding and the move toward contracting and partnership arrangements, it becomes clear that voluntary organizations faced important institutional and financial challenges in the mid-1990s. However, they also faced important opportunities. With the Program Review, they were positioned to become a valuable commodity in the policy-making arena.

Governance in the Policy-Making Arena

The modernization of the federal government provided context not only to changes in service-delivery structures, but also to changes in policy making. The downsizing of the public service and the program cuts that occurred under the Program Review significantly affected the federal government's policy functions. It escalated fragmentation within the civil service and led to an important loss of internal expertise (Foster and Plowden 1996; Rhodes 1994, 1997; Weller, Bakvis, and Rhodes 1997). With the rise of contract culture—in which contractual relations form the basis of state employment and public-service delivery—the federal government's leverage over public policy was further weakened. As a result, the governance process began to shift in the mid-1990s to emphasizing the importance of collaboration, cooperation, and dialogue in policy making.

Burdened with a more complex political environment, the federal government also faced greater demands for accountability and transparency in the aftermath of the Program Review. The generalized lack of confidence in political institutions and political processes, coupled with a loss of internal policy capacity following the downsizing, nourished a growing dissatisfaction with respect to the federal government's role in policy making. Stories of boondoggling further exacerbated the demands for greater transparency and openness in the policy-making process by calling into question the very legitimacy of the federal government (Julliet and Paquet 2003).

Building Policy Capacity

Concern about the federal government's loss of capacity first became evident in 1995. A federal government task force (Government of Canada 1995, 31) stated that the federal government "should relate closely to the outside policy research community and should seek to promote its relevance and quality. A vibrant external policy research community is a major asset for government and it can make a unique contribution to public debate." Several other reports also noted the changing nature of governance and challenges for policy formulation (Anderson 1996; Bakvis 2000; Government of Canada 1996; Institute on Governance 1996; O'Hara 1998; Peters 1996).

Among these, the Task Force on Strengthening Policy Capacity and the Task Force on Managing Horizontal Policy Issues both put forward a number of recommendations. Their reports emphasized the federal government's need for external advice and policy support. They recommended that the federal government strengthen its external policy research capacity by commissioning research and soliciting policy analysis or advice. To innovate and be flexible, the federal government needs hands-on knowledge understood to lie at the front lines of service delivery, with third parties. These reports therefore championed a broad-based response to governance issues that would involve all levels of government and all sectors of society. In fact, Doug Anderson (1994: 486), who participated in the work of the Task Force on Strengthening Policy Capacity, argued that "a healthy policy-research community outside government can play a vital role in enriching public understanding and debate of policy issues, and it serves as a natural complement to policy capacity within government."

The federal government recognized the need to create 'communities of knowledge' to build policy capacity and foster knowledge transfer. In 1997, the federal government launched the Policy Research Initiative (PRI) with the specific purpose of building links across sectors and encouraging research around innovative policy issues.⁷ Voluntary organizations were involved in the PRI effort from the beginning. Through the PRI, the federal government encouraged collaboration and the production, dissemination, and uptake of policy-relevant research.

In order to further collaboration, the federal government also set up independent arm's-length organizations that could work in close partnerships with various levels of government and stakeholders to coordinate and gather data in various policy areas. The Canadian Learning Institute and the Health Services Research Fund are two such examples. These knowledge brokers facilitate knowledge-based transfers by generating data that is open to outside actors. The Social Sciences and Humanities Research Council's Community-University Research Alliance program was also created to encourage cross-sectoral collaboration in various areas of research.

Clearly, investment in research and knowledge transfer became an important focus of federal government investment in the late 1990s. As it related to the voluntary sector, the federal government's objective was twofold. First, it wanted to build policy capacity in the voluntary sector; it relied on voluntary organizations for front-line information, which is indispensable in the policy realm. Second, it wanted to ensure that it still played a leadership role by directing the areas of interest in which this capacity would be developed. Gerard Boisjennu and Peter Graefe (2004, 11) argue that:

These investments promise to create a form of "social demand" for new policy directions and decisions, a demand that the federal government can partially control through the deployment and mandating of these foundations/institutes. In other words, the federal government is creating a series of expert interlocutors with whom it can debate policy options. This can play a crucial agenda-setting role, particularly since these ideas and directions are legitimized using the scientific reputation and stature of the specialists.

In addition to setting the agenda, these investments enabled the federal government to determine which voluntary organizations were deemed legitimate experts and to influence which ones would ultimately participate in the policy process. Privileging some actors over others reinforced certain forms of action, while discouraging others. The new investments in policy capacity sent signals to voluntary organizations

regarding the nature of expertise that was now required for policy making. The federal government moved from relying on the experiential knowledge of voluntary organizations that spoke on behalf of their members and represented lived experiences to relying on the expertise of organizations explicitly grounded in research and analysis.

The need for policy capacity and knowledge transfer affects the politics of inclusion and exclusion operating within the process of governance. Research on governance has provided some illustrations of how the politics of inclusion and exclusion can play out in various settings. Rhodes (2000) has noted that governance can revolve around a few insiders who carve out policies or programs with such detail and specialized language that others are closed out. Such exclusivity imposes restrictions on some actors. In order to successfully shape the governance process, voluntary organizations may need to embrace the values and practices of governments and, if required, receive additional training to develop the technical expertise necessary to fully participate in policy making. However, these opportunities may not be available to all voluntary organizations. Given the differential nature of the political opportunity structure, some voluntary organizations simply may not have sufficient resources to adapt to these new pressures. What is more, some voluntary organizations may not perceive adopting a greater research orientation as an opportunity at all. How voluntary organizations navigate the exigencies of policy making will be determinant.

Democratizing the Policy Process

The federal government also faced a crisis of legitimacy in the aftermath of the Program Review. To strengthen the legitimacy of its policy decisions, it explicitly encouraged the democratization of the policy-making process and praised the contribution of the 'ordinary citizen' to public policy (Brodie 1995; Jenson and Phillips 1996). By regularly taking the pulse of the community, the federal government hoped to be more in tune with the changing needs of society and to respond more effectively and innovatively to citizens' demands. According to Susan Phillips (2001b, 183-84), the federal government embraced the idea that "active citizenship, in which citizens engage in civic life through voluntary

association, supports governance by providing better input and monitoring of policy and, as a by-product of participation, by producing greater trust in other citizens and in government.”

Because of its desire to reconnect with individual citizens, the federal government was interested in the voluntary sector. However, it had a different understanding of the role and value of that sector than it had had in the 1980s. Given the need to democratize the policy process, the voluntary sector was seen as an important conduit for communication between the state and its citizens. Mel Cappe (1999), Clerk of the Privy Council Office in the mid-1990s, stated, “The voluntary sector reaches out and touches parts of society which the government cannot easily or efficiently reach.”

Building stronger connections with citizens through the voluntary sector was also viewed as potential policy leverage that could be used to promote the federal government’s agenda. In social policy areas, the federal government had lost its capacity to impose requirements or standards on provincial governments. It needed to rely on cooperation and collaboration. Considering the political context following the creation of the CHST, obtaining intergovernmental agreement in any policy area had become arduous. In an interview that I conducted during my research phase, a senior federal official stated: “The federal government needed the voluntary sector to continue to provide support to networks at a provincial and local level to engage in policy development and ensure that pressure is felt from the outside to push the agenda forward.” By relying on the lobbying of voluntary organizations, the federal government could use its linkages with the sector to exert pressure on the provinces and generate support for its political agenda from the outside.

Nowhere in the field of social policy has this been more evident than with the signing of the Social Union Framework Agreement (SUFA) in 1999. The SUFA is a non-binding political agreement between the federal government and all provincial governments, with the exception of Quebec. Its purpose is to get the federal government to work more closely with the provincial and territorial governments on social and economic issues with the aim of improving the quality, and promoting equality, of services and opportunities for all Canadians. One of the

major innovations of the SUFA in terms of governance has been the promise of citizen engagement (Jenson and Saint-Martin 2003; Phillips 2001c). The agreement is based on the founding principle that the federal government will “work in partnership with individuals, families, communities, voluntary organizations, business and labour, and ensure appropriate opportunities for Canadians to have meaningful input into social policies and programs.” Such a commitment, in theory, can increase opportunities for engagement in ongoing policy discussions.

Another major innovation of the SUFA entails a transformation of the accountability regime toward results-based management (Jenson 2004; Phillips 2006; Saint-Martin 2007). With provinces agreeing to report to their constituencies, it encourages the sharing of “information and best practices to support the development of outcome measures, and to work with other governments to develop, over time, comparable indicators to measure progress on agreed objectives.”⁸ Under this model, public accountability encourages the involvement of voluntary sector organizations and citizens by demanding a higher level of accountability from provinces, comparing outcomes across provinces, and keeping their progress in the public eye. This entails a significant shift in the roles and responsibilities conferred on societal actors (Phillips 2006). According to Susan Phillips (2006, 9), under the SUFA, “Citizens are to be the third force in federalism – not so much as a means of creating a social union that truly addresses the democratic deficit that has been so widely deplored, but as a third-party barrier to the actions of one government against another.” Denis Saint-Martin (2004, 43) also notes, “Intergovernmental agreements now place a new emphasis on a third kind of accountability directly to citizens through the measurement and reporting of results to the ‘public.’ The goal is that this will, over time, make it possible for citizens to become ‘bench-markers.’” The voluntary sector is seen as an important partner that will enable citizens to perform this role.

As a means of democratizing the policy process, public consultations also increased dramatically in the late 1990s. The now-defunct Engaging Canadians Initiative, which was the exemplar of this shift, was seen as a practical way of building relationships with individuals (Abele et al. 1998). Quite popular in 1996-97, it provided ordinary citizens with

opportunities to give direct input or feedback on policies so that they could play a meaningful role in policy making. This initiative, like other initiatives at the time, focused solely on the direct engagement of individual citizens in the policy process. Indeed, the federal government recognized that citizens need to be involved in policy making. But, it was as individuals – not through organized bodies – that they were solicited to do so.

Recognizing the voluntary sector as a bridge to the ordinary citizen represented an important discursive shift that repositioned the voluntary sector in the policy-making process. It was no longer valued as a key interlocutor with an active role to play in policy, as it had been in the 1980s. The primary thrust of this discourse was to redefine the legitimate forms of representation and of who could make claims onto the state. First, by focusing on the role of the ordinary citizen, more weight was given to individual voices, as opposed to those of intermediary organizations. The presumption was that organizations were best used to involve citizens directly in policy debate and deliberation, but not to represent or articulate their interests. This was a clear departure from the 1980s, when the federal government structured institutionalized access around organized interests. This discursive shift undermined the representational role of voluntary organizations by calling their value into question.

Second, the implied role of the voluntary sector was to reach the average or ordinary citizen. This discourse conveyed the illusion that representation involves listening to the mainstream – not the noisy minority and marginalized groups. Previously, the role of voluntary organizations was understood to be that of mobilization and representation of various segments of the population, and often the more marginalized segments. As Linda Trimble (2000, n.p.) so eloquently noted, “So-called ‘special interests’ are seen as opposing the claims of the ‘ordinary citizen’ (that is, the tax-paying, self-reliant, independent individual). The special claim, need, or interest is a drain on limited state resources, an impediment to a global free market, an excuse for avoiding individual responsibility.”

This neo-liberal rhetoric was also an important departure from the vision that prevailed in the 1980s (Smith 2005). The federal government’s

conceptualization of collective action moved decisively away from being the expression of citizenship (Jenson and Phillips 1996). Understanding that the voluntary sector is a valuable instrument engaging individual Canadians is very different from the understanding that the sector has an emancipatory role to play and is an agent of change. The distinction is important. This discourse attached the right to participate to individuals, not to representatives of groups or collectives. It further revealed the prominence of individual interests over collective interests (Taylor 2003). The voluntary sector became a locus for political engagement that valued the primacy of the individual in society.

Under this neo-liberal discourse, rights and responsibilities were reconsidered. The federal government emphasized the responsibility of citizens to participate in policy making, not their right to do so. Volunteering and charitable giving were similarly extolled as forms of civic responsibility. This view of the voluntary sector continued to dominate the political agenda and reflects a general trend of transferring greater responsibility onto the citizen. Susan Phillips (2004) calls this discourse cold charity. She rightly notes that it is a discourse “centered on the individual as both recipient and giver. Charity relies on the recipient’s obligation and patronage of individuals, and more recently, corporations, to assist the disadvantaged, rather than looking toward collective or structural solutions such as the notions of social justice, redistribution, or the concept of the welfare state” (Phillips 2004, 22). By excluding voluntary and charitable giving, the federal government was questioning that citizens fully participate in Canadian social life. This in discourse was also important because it encouraged the delivery of welfare through voluntary action, outside of the state. In other words, the state no longer had the sole responsibility for looking out for the wellbeing of Canadians; the voluntary sector and individual citizens also had a key role to play.

Voluntary organizations had to navigate their way through a complex and multiple, and often contradictory, discourses. For voluntary organizations, the increased possibility of participating in policy making presented as both an opportunity and a constraint. Participation is potentially both empowering and crippling, as it created new

and responsibilities. On one hand, governance conferred credibility and legitimacy on voluntary organizations that provided services and played a pivotal role in citizen engagement. On these terms, they could gain access to the policy-making arena and their importance and value would be recognized. On the other hand, these terms would require new skills and capacities of voluntary organizations in an environment in which they were already heavily taxed. Voluntary organizations faced a number of competing tensions that made it increasingly complex and challenging to continue to be effective agents of change on multiple fronts. These tensions played out across scales – at the sectoral scale, within particular policy fields, and at the organizational scale. Ultimately, how voluntary organizations dealt with these tensions would determine their success at exercising agency in the governance process.

Looking Forward

This chapter has set the stage for analyzing the politics of governance in Canada. Since the mid-1990s, the federal government has become a strong proponent of engaging the voluntary sector in the delivery of services and the elaboration of policies. Downsizing, weakened legitimacy, and policy capacity have all reinforced the need for the federal government to develop partnerships and to work in collaboration with voluntary organizations. The resulting politics of governance are shaped by this new institutional and discursive context, as well as by the opportunities that are being created.

Opportunities, however, are never objectively given. To understand the politics of governance, it is necessary to capture how voluntary organizations have perceived and responded to policy changes. While the political opportunity structure provides some opportunities for action, organizations may also affect the nature of existing opportunities and create new ones for themselves and for others. How organizations choose to adapt to this new governance environment, strategize to exert influence, seize the opportunities presented to them, and mobilize to create new ones will affect the nature of their relationship with the federal government as well. The politics of governance needs to be understood through this double lens.

Building Identity and Agency in the Voluntary Sector: From Strategy to Action

Since the 1990s, neo-liberal discourses have challenged the structure of representation, particularly the position of interest groups and voluntary organizations. Voluntary organizations were confronted with a new opportunity structure that had been closed off as a result of the governance in the areas of service delivery and policy making. Voluntary organizations have their credibility questioned by leaders, they also lost their institutionalized access to the restructuring process, and their relationship with the federal government had become strained. The new model of governance, emphasizing horizontality and partnership, is not compatible with the system of representation that had dominated in the 1980s (Jefferies 1996).

All was not lost, however; by the end of the 1990s, some organizations could see that opportunities were also opening up. The government was looking to facilitate greater involvement of voluntary organizations in service delivery and policy making. The idea of engagement had become fashionable. However, with greater opportunities being placed on them in the context of downsizing resources, many national voluntary organizations began to position themselves to take advantage of the new context. They also recognized the need to raise the sector's profile.

the wave of negative press that voluntary organizations had received. As a result, they began to coordinate their efforts.

The first step was to construct a collective identity around which this solidarity and collaboration could occur. Voluntary organizations also needed a name with which to identify themselves on the political scene. Interestingly, voluntary organizations in Canada have not always thought of themselves as belonging to a 'sector,' or as constituting a broad community with a shared identity and common interests. Indeed, many still don't. Yet, it was this very process of identity-building during the 1990s that allowed the voluntary sector to present itself to the federal government as a valuable ally in the governance process. This chapter details the journey toward collective identity for voluntary organizations and illustrates how organizations came to view themselves for the first time as part of a sector, opening up a new scale of action.

The Voluntary Sector Roundtable: What's in a Name?

In 1995, the heads of twelve national organizations and coalitions covering a wide range of sub-sectors came together and created a process for reacting to the funding cuts that were profoundly affecting voluntary organizations in all policy fields. Increased public scrutiny was also exposing voluntary organizations to negative media coverage. Given the need to improve the perception of voluntary organizations with both the federal government and the general public, they felt that it was essential to raise awareness of the work being done within the sector. They suspected that provincial and local voluntary organizations did not have the resources and means by which to enhance their image by profiling their contributions. Yet, they felt that collectively they could make a difference.

The collaborative effort that followed was unprecedented. It was the first time that organizations from a variety of policy communities had formally discussed policy issues and shared their concerns in order to develop a common purpose and cultivate shared strategies. The shift in governance discussed in the previous chapter prompted the development of intra- and inter-sectoral collaboration. Voluntary organizations were at the early stages of seeing themselves as belonging to one sector.

At their first meeting, the twelve organization heads decided to gather representatives from diverse policy fields and meet regularly. This particular group of voluntary sector leaders played a pivotal role in coordinating the strategy that would ensue; their objective was to create a vision and an action plan for the sector as a whole.

It was an important turning point. Voluntary organizations were engaging for the first time on broad-based issues pertaining to the sector as a whole rather than on specific issues. They adopted the name Voluntary Sector Roundtable (VSR) to establish themselves on the political scene.¹ The name choice was critical in generating solidarity for common action. Through its name, an actor becomes recognizable to others and social relations become visible. As Jane Jensen (1992) underscores, it affects the strategy that a group adopts, the strategic resources that it may secure, its potential for alliances, and, ultimately, the degree of solidarity that it may garner. She notes, "Selecting one name over another sets discursive boundaries such that some claims become meaningful and others are less relevant" (Jensen 1992, 116).

There were many possible names. Over the past decade, there had been competing, overlapping discourses seeking to define and problematize the role of actors of civil society in specific ways. The various terms proposed – 'voluntary sector,' 'volunteer sector,' 'third sector,' 'non-profit sector,' 'not-for-profit sector,' 'social economy' – attempted to capture the complex interface among the state, the market, and civil society, and, in turn, to emphasize different aspects of the relationship. For example, 'third sector' refers to the sector as the third pillar of society, providing services and functions previously performed by government and the market. The term emphasizes the sector's residual role in the face of public and market failure. The terms 'non-profit sector' and 'not-for-profit sector' are used to juxtapose different organizational structures and forms at play in service delivery. 'Social economy' has recently emerged to describe an alternative model of economy – alongside the public economy and the private economy – that couples democratic values and the pursuit of a social mission with an entrepreneurial framework. Finally, the term 'volunteer sector' draws attention to the fact that organizations rely heavily on volunteers to carry out their work.

Even at the outset, the sector grappled with trying to accommodate its wide diversity of identities. Until the VSR was created, voluntary organizations tended to work in isolation or within the confines of their policy communities, with very little collaboration across silos. Building alliances and mounting a common front would require a substantial investment of time and resources in a context in which organizations' means were already stretched. This lack of collaboration was further complicated by the fact that the 'sector' was large and encompassed various types of organizations, ranging from voluntary organizations to charities, non-profits, and community-based organizations, all of which were affected by the governance process, but each of which had a different set of preoccupations. They were also structured and managed differently and had different revenue structures. Bringing these organizations to the table under a common strategy was challenging.

The members of the VSR weighed various options and chose the name 'voluntary sector' to represent themselves in the political arena. They believed that it was the most inclusive designation for a variety of organizations. First, they sensed that by opting for this name, they would be able to rally a wide range of allies across civil society. Second, use of the term 'voluntary sector,' encompassing charities and non-profit organizations, was significant in generating strategic resources from foundations and philanthropic organizations that considered the initiative an important sector alliance. In a context of strained financial resources, this opportunity could not be neglected. Indeed, the VSR eventually received core funding from the J.W. McConnell Family Foundation, with some additional support from the Vancouver and Murrart Foundations. Third, organizations were well aware that the name should be politically neutral, given the strong wave of criticism that had targeted advocacy groups.

Opting for the term 'voluntary sector' was also politically salient at the time. The term had become fashionable as the label for civil society actors in both policy circles and academic circles. Because accountability and sound, effective management were the watchwords of the day, the twelve voluntary sector leaders believed that they would have more traction to gain credibility and legitimacy by representing themselves as responsible partners in the governance process. They also anticipated

that they would be more successful at advancing their interests by being collaborative, given the federal government's resistance to organized interests.

Making Claims in the Name of the Sector

The VSR represented a new level of solidarity among organizations and a space for developing a platform for the sector. Although it received foundation funding, the VSR remained an informal coalition, which allowed it to proceed at a pace and in a manner that avoided the more time-consuming and bureaucratic approach traditionally associated with formal organizational structures (Phillips 2001a). Its open structure allowed organizations to participate without unduly imposing additional burdens and responsibilities on their representatives. Opting for an informal structure was also key because the VSR did not want to compete at the time with other national umbrella organizations for infrastructure funds.

The initial intent of the twelve organizations, as expressed in the VSR newsletter in November 1997, was to establish a coalition for a short period of time (three years) and then dissolve the group. The VSR first defined its mandate as follows:

The Voluntary Sector Roundtable (VSR) is an unincorporated group of national organizations and coalitions that came together in 1995 to strengthen the voice of Canada's charitable, voluntary sector. Its primary goals are to enhance the relationship between the charitable sector and the federal government and to encourage a supportive legislative and regulatory framework for organizations in the community. The VSR will operate in a structured way for three years, but the work that is done and the relationships that develop will have long-term benefits for the sector as a whole.²

The mandate directly affected the claims to be made in the name of the voluntary sector. For example, in referring specifically to a legislative and regulatory framework, the mandate alludes to the strategic opportunity to make claims for the definition of charitable status under the tax laws. While the VSR had a general vision of its goals, its informal

structure meant that individual members were left to their own devices in pursuing different dossiers and issues on its behalf. Therefore, the discourse that it adopted and the claims that it made closely reflected the composition and contribution of individual members of the roundtable. The mandate makes apparent that the VSR tended to be dominated by large, well-established, mainstream national voluntary and charitable organizations. At the outset, there were very few opportunities for actors beyond the initial twelve members of the VSR to influence its political discourse. For that reason, although the VSR became a newly visible force in the policy arena and expanded the universe of political discourse to include issues such as charitable status, accountability, and management in the voluntary sector, a number of other issues were left unaddressed.

The choice of claims made by the VSR also reflected the federal government's willingness to engage on policy issues and the existing political opportunity structure. The members of the VSR deliberately pursued particular routes because of the openings that they perceived in the institutional context. They saw tremendous opportunities to transform their political standing by shifting their language to focus on partnership and collaboration.

Advocacy, on the other hand, was considered a less politically salient issue for the federal government. Despite the insistence of some VSR members at the outset that advocacy and financing should be key areas of concern for the sector, in the new governance environment it was clear that little progress could be made on this front. The federal government had systematically refused to discuss the issue. As a result, preoccupations around advocacy and financing were given little weight in the development of an overall sectoral strategy. This is not to say that they were deemed irrelevant – quite the contrary; all members of the VSR agreed that they were central to the viability of the voluntary sector in the long run. However, it was felt that in order to better position the sector in the policy arena in the short term, these issues had to be brushed aside until later. VSR members felt that these issues could be raised more effectively on the political scene once they re-established themselves and made significant inroads in their relationship with the federal

government. In light of this reading of the political opportunity structure, a strategic decision was made from the start not to act confrontationally, but to portray the sector as a responsible partner capable of engaging Canadians.

VSR members weighed the costs and benefits of various courses of action. Having factored in the political aversion to advocacy, they deliberately did not lobby to get core funding reinstated; they felt that it would have been exactly what government expected of them and that this course of action would carry very little force. Moreover, at the time, there was widespread support in public opinion polls for the importance of focusing on debt reduction. The VSR anticipated that there would be no political appetite for reinstating funding. Instead, it elected to draw attention to the importance of the voluntary sector's contribution to the economy and society as a first step toward rebuilding a relationship with the federal government. In an interview conducted during my research phase, one VSR member described the strategy as follows: "We were at a low point in our relationship and in general I think we were misunderstood, we were not understood. We were not organized to influence public mood, and across the political spectrum, we were starting to be targeted as national groups far removed from the local agenda."

Building an Agenda

As stated in its newsletter of November 1997, the VSR initially focused on four areas in which it sensed that it could make important progress: enhancing voluntary sector accountability; deepening mechanisms for dialogue with the federal government; defining and regulating charitable activity; and increasing charitable tax incentives. Individual members of the roundtable took the lead on these issues and lobbied on behalf of the VSR. When the VSR was created, it was relatively unknown. Most of the national voluntary organizations involved were known solely within their policy fields and were relatively inexperienced at lobbying the federal government on a broad scale. Their allies within government departments existed mainly through informal personal networks. The VSR members took advantage of these personal relationships and

lobbied to quickly meet with senior government officials. Yet, they were quite aware of the fragility of those ties.

VSR members experienced some success in obtaining responses from federal government officials on an ad hoc basis. For example, Al Hatton, the executive director of the Coalition of National Voluntary Organizations (NVO), was particularly influential in shaping the demands related to increasing tax credits, as he considered this to be a way to strengthen the sector's autonomy by reinforcing its reliance on alternative funding sources. Hatton's lobbying led to significant enhancement of tax incentives for charitable donations in the 1996 and 1997 budgets.

Through personal connections in the federal government, VSR members became skilled at putting forward new ideas to fit within the federal government's framework and ideas. By way of these ties, claims made in the name of the voluntary sector first became visible within the universe of political discourse and gradually gained attention over time.

Over the next couple of years, the VSR engaged in dialogue with the federal government on multiple fronts. In 1996, it submitted a pre-budget submission to the Standing Committee on Finance, primarily requesting increased tax incentives for charitable donations. VSR members also initiated discussions with Revenue Canada, Human Resources and Skills Development Canada (HRSDC; formerly Human Resources Development Canada) and the Public Service Commission. They gradually felt empowered by their access to institutionalized arenas and had faith that they could restore the credibility of voluntary organizations.

Constructing the Image of a Responsible Partner

Strategically, the claims made by the VSR to the federal government were constructed around the image of the voluntary sector as a responsible and accountable partner that contributed effectively to service delivery and policy making. Analysis of the VSR's discourses and newsletters reveals a strong emphasis on issues of accountability, governance, management, and responsibility, all of which tied into the universe of political discourse of the federal government as detailed in the previous chapter. Interestingly, there was a displacement of claims away from representational claims toward organizational claims. The VSR's

imperative was to demonstrate that the sector could act responsibly and carry part of the restructuring burden in good faith. This discourse was well received by federal civil servants.

As a first step, the VSR assembled an independent panel of experts, chaired by former federal National Democratic Party leader Ed Broadbent, to lead an inquiry into governance and accountability within the sector. The Panel on Accountability and Governance in the Voluntary Sector (PAGVS) came to be known as the Broadbent Panel. Its original goal was to help rebuild trust in the sector and present voluntary organizations as responsible actors by creating a set of accountability and governance standards to guide its future dealings with the federal government and with the general public. In light of the publicized scandals and the competition for fund-raising, the VSR knew that public trust was fragile.

The timing of the creation of the PAGVS was apt. Questions of trust, confidence, and accountability were dominating the political agenda in the late 1990s, so the panel's work was politically salient. The panel's mandate was threefold: to review current governance and accountability practices within the voluntary sector; to develop proposed guidelines and practices to promote effective governance and accountability within the sector; and to lead a broad consultation on these proposals.³ It explored issues ranging from the role and responsibilities of volunteers to fund-raising practices and fiscal management within the sector.

During the course of the panel's work, the notion of voluntary organizations forming a 'sector' became prominent. As the initial work of the VSR was top-down, it took some time for the idea of a sector to spread and for organizations to view themselves as belonging to a sector. In fact, one of the panel's main contributions is that it began to give coherence and direction to the discourse and the claims around which the sector became organized; this was a crucial turning point. Much like the VSR, the PAGVS explicitly drew attention to the importance of naming the sector. Its final report contains a section called "What's in a Name: NonProfit, Charitable or Voluntary?" which states:

We have chosen to refer to our focus as the "voluntary sector," recognizing that some organizations rely on paid staff to carry out their

work, although all rely on volunteers on their board of directors for their governance. We selected the term to reflect the sector's essential spirit, not the nature of its labour force. We acknowledge that the boundaries of the voluntary sector are fuzzy; it is its core rather than its edges that matter for our purposes. (Panel on Accountability and Governance in the Voluntary Sector 1999, 8)

Just like the VSR, the panel recognized that the designated name for the sector would play an important role in generating solidarity and a sense of belonging among its members.

The panel's second important contribution was that it held broad consultations across Canada on accountability practices within the voluntary sector. This was a valuable exercise in inter-sectoral collaboration. Voluntary organizations' representatives commented that this consultation was their first opportunity to sit across from each other and discuss common issues. They realized that even though they worked in different fields, they shared crosscutting issues. The consultation process therefore helped to crystallize the sector's identity. The PAVS created a momentum toward joint dialogue and reinforced the sense of the sector. It was a period of hope for many voluntary organizations.

The Voluntary Sector on the Policy Agenda

As a result of lobbying by the VSR and voluntary organizations within various policy fields, the term 'voluntary sector' began to make its way onto the policy agenda. Given the context of fiscal restraint and the restructuring of the federal government, the voluntary sector was depicted as the natural partner of government; its role was to complement state provision through its charitable activities and act as a source of innovation in service delivery. For the federal government, this vocabulary was a new way of conceptualizing the work and purpose of voluntary organizations. It also fit within the dominant governance paradigm. The ideas were starting to permeate the federal government bureaucracy.

From a policy and political perspective, Chaviva Hosek, former president of the National Action Committee on the Status of Women (NAC) and a senior advisor in the Prime Minister's Office, was a key ally in bringing attention to the role of the voluntary sector. Thanks to

her efforts, a commitment to renew the relationship with the voluntary sector was made in the 1997 Red Book. The Liberal Party stated that its government would "work in partnership with the voluntary sector to explore new models for overseeing and regulating registered charities and enhancing their accountability to the public" (Liberal Party of Canada 1997, 67). It also made enhancing the capacity of the voluntary sector one of its key objectives.

Once elected in June 1997, the Liberal federal government examined internally ways to address the Red Book commitments. Revenue Canada (now Canada Revenue Agency) was asked to lead an interdepartmental committee of assistant deputy ministers (ADMs) to discuss how to translate the Red Book promises into action and ensure horizontality. By involving senior managers in the process and sharing information with departments and agencies, the federal government sought to improve the broad engagement of the civil service with the voluntary sector. However, Revenue Canada encountered two challenges in steering this interdepartmental committee. First, it had no authority to bring other departments on board. Second, it had no resources. For such an interdepartmental initiative to be effective, the federal government needed to provide internal support.

In June 1998, the Voluntary Sector Task Force (VSTF) was created to support the interdepartmental committee of ADMs. It was housed in the Privy Council Office. Placement of the VSTF within a central agency endowed it with political backing. Not only did this give the process greater credibility, but it also created an institutionalized point of access for voluntary organizations to senior civil servants. This was an important step in moving the voluntary sector agenda forward. Until then, most of the interaction between the federal government and voluntary sector leaders had unfolded in an ad hoc manner and depended heavily on personal relationships. With the creation of the VSTF and the work of the interdepartmental committee, a whole-of-government agenda was developing in relation to the voluntary sector.

The development of a whole-of-government lens to policy issues was a key feature of governance (Agranoff 2006; Bryson, Cosby, and Stone 2006). The federal government was increasingly interested in working

collaboratively with voluntary organizations and acknowledged that policy making and service delivery require creativity, innovation, learning, and risk-taking. In fact, the Department of Canadian Heritage declared that,

More than ever before, the Government of Canada is pursuing partnerships with other governments, institutions, businesses, associations and community groups. New combinations of partners generate new ideas. Different organizations working together to address common issues strengthens communities. It is through this collaboration that we bridge differences, bring down barriers created by racism, discrimination and hate, and help more Canadians participate fully in our society. (Canadian Heritage 2000)

To foster a collaborative environment, the federal government needed mechanisms and structures in place to ensure that there was a common understanding of each actor's role and responsibilities, and that practices were harmonized. Once ideas about the importance of strengthening the relationship between the federal government and the voluntary sector spread within the senior levels of government, they became salient within the political opportunity structure. At an administrative level, voluntary sector issues took a more central position within units or departments. Not only did this provide the sector with a higher profile in policy development, it also allowed voluntary organizations to influence policy from within established institutions.

VSR members found it relatively easy to gain standing in and access to a variety of forums. Revenue Canada officials held frequent meetings with them. Some members were invited to speak before the Standing Committee on Finance, and they also had the opportunity to meet formally with a number of ministers, including Herb Dhaliwal, then Minister of National Revenue, and Marcel Massé, then President of the Treasury Board and Minister Responsible for Infrastructure. In 1999, voluntary sector leaders were also invited to a number of informal dinners hosted by HRSDC. In their meetings with a wide range of ministers and senior public officials, VSR members had the opportunity to exchange views on policy issues. They had secured access to the policy

arena and were able to make better use of political resources to make themselves heard.

New routes for political representation and new spaces within which voluntary sector issues could be addressed had been established. However, participating in these formal and informal channels changed voluntary organizations' representational strategies. They found themselves interacting more with senior bureaucrats in such central government agencies as the Prime Minister's Office, the Privy Council Office, the Treasury Board, and the Department of Finance. This was a contrast with the past, when voluntary organizations had little interaction with central agencies but were more connected to specific line departments, such as HRSDC, Employment and Immigration Canada, Health Canada, and Environment Canada. By developing agency at a macro scale, voluntary organizations increasingly came into contact with centres of power, where core policy decisions were made. Gradually, their influence was beginning to be felt in key speeches and in budgets. Over the course of several years, voluntary sector organizations had managed to make significant headway within the dominant political discourse.

Embedding Macro and Meso Dynamics: The Example of Children and Family Services Organizations

Examining how the relationship between the federal government and the voluntary sector evolved solely by looking at broad macro dynamics tells only part of the story. Processes occurring at a macro scale are embedded within those occurring at meso and micro scales. It is important to explore how these dynamics intersect because they inform each other and they are mutually constitutive. In this section and the sections below, I draw on the interviews that I conducted with representatives from organizations in the field of children and family services.

In response to the funding cutbacks of the early 1990s, the initial reaction of voluntary organizations in the field of children and family services, similar to that of many organizations in other policy communities at the time, was to band together and go up in arms. Relationships with line departments began to be strained as voluntary organizations advocated for the reinstatement of funding. After a couple of years of

mobilization, voluntary organizations in the field came to terms with the fact that their strategy was not working, and that cuts would continue to be made. One interviewee confided that the organizations failed to mount an opposition, stressing, "Yes, we were in the streets, but we needed to be at the table, to influence what they were doing and thinking. We realized that we had to go at this a totally different way." Another noted, "We needed a new way for the sector to express itself collectively, we needed to be more strategic." Rather than continuing to pursue their confrontational strategies, these voluntary organizations looked to the dynamics occurring at the macro scale in order to draw strategic lessons on how to proceed.

The success of the VSR's collective action efforts on a macro scale impressed on voluntary organizations in the field of children and family services the importance of working collaboratively with government rather than taking a confrontational approach. These organizations also learned from the VSR example that they needed to come together as a community in order to transform their relationship with the federal government. In 1995, six national voluntary organizations developed common strategies to turn the tide for all organizations working in the field of children and family services.⁴ This changed the strategy within the policy community. Five of the six organization leaders mentioned that they deliberately moved away from adopting a strong advocacy stance. One interviewee described this turning point: "We were just competing with each other for a pie, when there was not much of it to go around in the first place. And we felt that recognizing a broader interest in kids would be a better route to follow than a very specific focus on children with disabilities for example. In the long run, it would be beneficial to all by increasing the size of the pie." Another recalled that the first meeting "was forced by hard times, we were literally living day to day, we did not know if we were going to make it, we were laying off staff and I remember another organizations calling me and saying I don't think we are going to make it, and then some funding came in."

Although these organizations had a strained relationship with the federal government, they felt very strongly that numerous opportunities were before them. First on the agenda was finding a way to express themselves collectively within their policy community. They initially

agreed to meet monthly to share information regarding their programs and their interactions with the federal government. Their intention was to create a space for information to flow quickly without incurring great costs to the participants. Being a nascent coalition, the group looked to what others were doing to find appropriate strategies and courses of action. Following the model developed by the VSR, the structure was kept informal to avoid unnecessary bureaucracy and the group's members abstained from creating a formal organization that might compete with existing ones.

These organizations also decided to take on a collaborative approach to their dealings with government and began strengthening their links with the federal government through formal and informal channels. They opted to play a less adversarial role and to incorporate themselves into the political mainstream. The initial group of six national organizations established the foundation for much of the coalition work that would develop during the coming years in their field. Gradually, their meetings gathered more participants. They began to send out invitations to other national and provincial organizations in the policy community. By 1996, the loose coalition had grown to twenty-five voluntary organizations from a variety of policy fields, such as education, health, literacy, and child care, all sharing a common concern for children's wellbeing. They named themselves the National Children's Alliance (NCA) but decided not to formalize the coalition into an organizational structure. Voluntary organizations within the field recognized tremendous opportunities to participate in and influence policy making – a clear reversal from the early 1990s, when doors were being closed.

The creation of the NCA constituted an important turning point in the field of children and family services. It marked the first time that voluntary organizations had aligned themselves behind a broad policy objective. Members of the alliance unified their positions on specific issues, in order to express their views more coherently, and used their individual expertise to make a meaningful collective contribution to the social dialogue and policy formulation. With few resources to support their mission – in particular, their advocacy work – they found clear advantages to pooling resources. The NCA realized that one of its biggest challenges would be connecting to local organizations, which

were increasingly overstretched. Although many lent their names to the list of collaborators, many, according to NCA leaders, were unable to contribute any financial or human resources to the lobbying efforts that were being launched. Much of this work had to be performed by the national voluntary organizations, which were larger, better established, and had a budget for representation.

New Discourse, New Strategy

Much like the members of the VSR, voluntary organizations in the field of children and family services sensed that the political discourse had shifted toward the end of the 1990s. An important dichotomy in the policy community was becoming evident. Adopting a collaborative strategy, members of the NCA met frequently with ministers on the Ministerial Council on Social Policy Renewal and with senior federal officials working in the area of children and family services. Within my sample of organizations in the field of children and family services, interviewees from three organizations reported that they continued to adopt more confrontational advocacy strategies. However, they also noted that they were feeling marginalized as opportunities to participate in the policy process were closing off to them. One recalled how the organization's advocacy strategies had affected it: "It hurt our reputation. We had become more vocal, critical and that scared off people who wanted to be involved but not be political." Another noted, "We quickly came to find out that no matter how hard we protested, it didn't make a difference."

The funding environment had also become less receptive to supporting advocacy activities. Governments and a number of foundations, such as the Trillium Foundation, were increasingly reluctant to fund this type of activity. The executive director of one NCA member organization remarked, "The kind of work we were doing became not where the majority of people placed importance. It was not directly geared towards services, so we became very reliant on one funding basis because we were doing too much advocacy. At the time, there was only one foundation supporting advocacy – somebody had to." Another noted, "We had to change how we played the game in order to do what it is we are trying to do, which is influence government."

Clearly, there was very low tolerance for advocacy and mobilization tactics in policy circles. Public officials were much more open to interventions that were couched in technical terms. Alexandra Dobrowolsky and Jane Jensen (2004, 15) note, "The universe of political discourse had incorporated a huge dose of population health analysis, displacing other concepts of social relations." The research generated by the National Longitudinal Survey of Children and Youth and the seminal work of Dr. Fraser Mustard, for example, had considerably increased the level of political knowledge of and information available to voluntary organizations in the field. This had a direct impact on the way issues were framed and, ultimately, on the nature of the claims that were made.

Voluntary organizations turned from child care and child poverty issues toward a broader focus on early childhood development because of the perceived opportunities that this discourse would create. This discursive shift had implications for the networks and alliances within the field of children and family services. For one thing, it closed off potential alliances. Although the child care and child poverty movements had been important advocates for children in the 1980s and 1990s, there were important divisions within the field (Holly 2009; Mahon 2005; McKeen 2004; Prentice 2001). Some voluntary organizations were unwilling to make concessions and to lose a strong policy focus on either child care or child poverty. Others, such as the women's movement, believed that focusing on children obscured the link with women's issues. As Alexandra Dobrowolsky and Jane Jensen (2004, 14, emphasis in original) note, "The sidelining of NAC and the de-legitimation of feminism helps to account for why many activists dropped their middle name and redefined the child care issue as being overwhelmingly *about* children. By the mid-90s, child care was no longer a women's issue."

Although the roots of many voluntary organizations in the field of children and family services, particularly in the child care community, were in feminism, the women's movement and the anti-poverty movement were virtually absent from the policy community focused on early childhood development. In effect, they had resisted changing their policy discourse to isolate the discussion of the needs of individual children from consideration of the broader socio-economic environment in

which they lived (Jenson 2009, McKeen 2004). With these longstanding activists fading into the background, the space was left wide open to be seized by a new cadre of movers and shakers.

Another important transformation was occurring in the children and family services policy community. With the weakening of the advocacy groups that had historically played a central mobilization role in the field around issues of child care and poverty reduction, a greater number of service organizations took on an advocacy role. Until the mid-1990s, a clear delineation existed between organizations whose main mission was advocacy and those providing services. Given the centrality of the partnership rhetoric under the new governance agenda, there was a wave of political organizing among the voluntary organizations in the field of children and family services, and the lines between these two core functions became blurred. This infusion of service organizations into the sphere of advocacy had a mainstreaming effect on the strategies adopted in the field because, as theory suggests, practices are tied to experiences within the policy community (Sandfort 2010; Stone and Sandfort 2009). Service-oriented organizations were not comfortable with a critical approach, and their new partners were aware of this. Moreover, they tended to be more highly professionalized organizations favouring institutionalized routes to representation.

The shift in political discourse created potential alliances by encouraging the development of intra- and inter-sectoral exchanges. Prior to this initiative, organizations from different sub-fields worked in relative isolation without much cross-sectoral collaboration. As a result of the NCA, health and child care organizations were working together and exchanging on a regular basis. The NCA was committed to the broad objective of improving children's lives. With such a comprehensive focus on children's well-being, new allies – such as the Canadian Teachers' Federation, the Canadian Nurses' Association, the Canadian School Boards Association, and the Canadian Paediatric Society – began to step forward, believing that, in the long term, a comprehensive policy focus on children's issues would serve their members' interests. These organizations now formed bonds with organizations in the field of early childhood development with which they had not worked prior to this initiative.

Members of the NCA continued to nurture their relationship with federal officials. Like the VSR, they were very successful in getting the federal government's attention. Not only were they frequently invited to dinners and informal meetings with ministers, but they became a valuable source of information for senior-level bureaucrats, who increasingly called on them for advice and information. This dynamic forced voluntary sector organizations to connect far more closely with the federal government bureaucracy than ever before.

In 2000, the NCA received \$400,000 in funding from HRSDC and Health Canada to help build the capacity of national voluntary organizations and their regional networks to participate in policy dialogue with governments on early childhood development. Specifically, the NCA was to provide infrastructure for voluntary organizations in the field of children and family services, host national roundtables on emerging issues, promote broad participation, and monitor the status of children's health and wellbeing by developing indicators and a consensus framework.

What is striking is that the funding went to the NCA rather than to older, better-established organizations in the field such as Campaign 2000. Although there was considerable overlap in membership between these two coalitions, their discourse and practices were different. Campaign 2000 was well known for its mobilization tactics and media campaigns. The NCA, in contrast, adopted a more conservative approach, privileging broad-based issues and institutionalized routes to political representation. When the NCA was created, it had to negotiate political space with Campaign 2000. A member of the NCA remarked, "Our relationship is evolving and evolved. It's not problematic or conflictual. It's like a dance. We just need to make sure that we are consistent and complementary. And, that we don't step on each other's toes." The decision to fund the NCA, as opposed to Campaign 2000, sent a message to the voluntary sector: confrontational approaches would not be rewarded.

Strategizing on Multiple Scales of Action

Although the VSR's strategic choices influenced the choices that the NCA made, it is important to acknowledge that the governance

dynamics at the macro, meso, and micro scales do not fit neatly into nested hierarchies. That is, they do not simply move top-down from the sectoral to the policy community and then to the organizational scale. Such a conceptualization does not capture adequately the mutually constitutive nature of the social relations at play. The case of children and family services illustrates that the dynamics within the policy community also contribute in a very real way to the dynamics at a sectoral scale, and vice-versa.

There are important interconnections and cross-overs in these dynamics, most notably with regard to the individuals who played a leadership role in both settings. Organizations within the field of children and family services had a stake in the dynamics that were unfolding on a macro scale. In fact, some NCA members were involved in the collective efforts of the VSR. Margaret Fietz, executive director of Family Service Canada, and Diane Bascombe, executive director of the Canadian Child Care Federation, participated in VSR meetings and, later, in the VSI process. From a strategic standpoint, they recognized that the commitments being made by the federal government to the voluntary sector as a whole could be leveraged to influence dynamics within their field.

What is more, some members of the VSR were involved in the collective efforts of the NCA. Al Hatton, executive director of the NVO, Marcel Lauzière, executive director of the Canadian Council on Social Development, and Michael Hall, vice-president of research at the Canadian Centre for Philanthropy, recognized that the struggles in the field of children and family services would be relevant and could have an indirect bearing on the dynamics at a macro scale. They also felt that the experiences in this field could eventually be leveraged to further demonstrate the enormous potential and value of voluntary sector organizations' contribution to policy making and service delivery. They were not just passive observers; they had a stake in these dynamics and participated in some of the NCA's strategy meetings. The NVO even offered to house the office of the NCA for administrative purposes.

From a strategic standpoint, children's issues had quickly become a focal point of social policy debates and the field of experimentation for collaborative modes of governing. The idea of 'investing in children'

had gained prominence in policy circles, thanks to the research conducted on population health and the data that were beginning to emerge from the National Longitudinal Survey of Children and Youth (Beauvais and Jensen 2001). A focus on the social determinants of health and their impact on early childhood development reinforced the idea that a long-term, comprehensive, and coordinated approach was necessary to improve children's wellbeing. It was also a response to real policy problems in the field of children and family services. Young families were facing unprecedented levels of poverty caused by labour market problems, which meant that levels of child poverty were rising. The old social assistance system was not well suited to addressing these problems, and so governments had to find new collaborative mechanisms and work toward a shared vision to rally multiple actors. For many observers, the new focus on the child would be a driver in the process of rethinking the mix of roles and responsibilities among the public, private, and voluntary sectors (Jenson 2004).

The importance of the dynamics in the field of children and family services was confirmed as a priority for the federal government in the September 1997 Speech from the Throne, which stated, "Federal, provincial and territorial governments will work together to develop the National Children's Agenda, a comprehensive strategy to improve the well-being of Canada's children" (Government of Canada, 1997). Four areas of intervention were identified: the development of the National Child Benefit system; the creation of Learning Readiness Indicators; Aboriginal Head Start for on-reserve First Nations children; and the establishment of five Centres of Excellence for Children's Well-Being. Governments at the federal, provincial, and territorial levels began to develop a more coordinated and multi-level response to children's policy issues. In their discourses, they emphasized the importance of working in partnership with the voluntary sector, particularly in the field of family and children services.

In 2000, with the announcement of the Early Childhood Development Initiative and \$2.2 billion over five years to improve services for children, all voluntary organizations in the field of children and family services felt that they had secured an important stepping stone. Furthermore, the announcement was made by the minister of HRSDC, Jane

Stewart, in the basement of the Canadian Teachers' Federation, a member of the NCA. This energized the alliance. One member of NCA described the importance of the event: "This is your window of opportunity and you are not going to have one ever again to get in there, be a big player and to get your portion of what you deserve, money, recognition or whatever."

In fact, all eyes were turned toward the field of family and children services for lessons on how partnerships are experienced on the front lines and unfold in practice. With the national interest in the dynamics of this policy terrain, a collaborative approach to children's issues would become the testing ground for horizontal collaboration and interaction – a dominant feature of the new form of governance. Clearly, the stakes in the field of children and family services were high for the sector as a whole. Successful collaboration at a meso scale could substantiate and bring further credence to the importance of the voluntary sector on a macro scale.

Developing a National Children's Agenda

The proposal to develop a National Children's Agenda had grown out of discussions by representatives from the federal, provincial, and territorial health and social services areas. It was declared a federal government priority in the 1997 Speech from the Throne and a provincial priority at the First Ministers meeting in December 1997. The premiers also agreed to fast-track the work on the agenda through the Ministerial Council on Social Policy Renewal.

The signing of the Social Union Framework Agreement in 1999 created an opportunity for advancing the National Children's Agenda. The agreement contained guiding principles for social policy; commitments to ensure that social programs support the mobility of Canadians; commitments to strengthen government accountability to citizens; collaborative practices between governments on social programs; commitments by the federal government about the use of its spending power; and a process for solving disputes between governments. Given the progress that the federal government and the provinces had made on the National Children's Agenda and the strong working relations that

placed under the auspices of the SUFA. Dynamics in the field of children and family services became ever more important as an experiment in new styles of governance.

At a discursive level, the values that the SUFA embodied were applauded by voluntary sector leaders active in the field of children and family services. They interpreted the placement of the National Children's Agenda under the SUFA as a sign of the headway that they had made over the years. In fact, it gave them a tangible example of the advances that could be made through collaboration. The SUFA also conveyed a new openness toward partnering with voluntary organizations in policy making and service delivery. In principle, it encouraged the emergence of multiple decision-making sites, opening up new political spaces for action. Joint consultations with stakeholders were organized on an ongoing basis by the federal government and the provinces. Although they never crystallized into significant engagement opportunities for voluntary organizations or citizens, organizations felt that their inclusion was a sign of progress (Phillips 2001c).

Building Momentum across Scales

During the 1990s, the federal government and the voluntary sector embarked on a new series of informal and formal discussions with the goal of strengthening their relationship. These discussions took place on a macro scale as well as at a meso scale, within particular policy fields.

On a macro scale, the federal government began exploring new ways to include voluntary organizations on an ongoing basis rather than in an ad hoc fashion, as had been the case in the past. What was distinctive about the politics of governance during this period is that it afforded the federal government and voluntary sector organizations an opportunity to re-examine and redirect their relationship. This opening compelled voluntary organizations to come together and jointly develop a common discourse, define their interests as a sector, and make claims on behalf of that sector. In an attempt to position themselves as valuable social and political partners in the governance process, voluntary organizations took advantage of a new scale of action. They did so under the leadership of the VSR, which successfully positioned itself within the universe

positions, and worked from within the state through formal and informal contacts to reassert its position in the process of governance.

On a meso scale, voluntary organizations in the field of children and family services, inspired by the progress that had been made by the VSR, lobbied in order to bring legitimacy to their policy community. With a collaborative approach, their interaction with the federal government flourished; they developed a strong working relationship that was able to cement the development of the National Children's Agenda. Their field experiences would provide practical guidance for discussions occurring at a macro scale, and for this reason, any improvement on a meso scale would help to validate the relationship-building agenda unfolding on a macro scale. Voluntary organizations were vested at multiple scales of action. These dynamics were mutually reinforcing, and the next chapter examines how they led to the institutionalization of state-sector relations through the design of the VSI.

Designing a Blueprint for Collaboration: 5 Looking at the Big Picture

To encourage closer and sustainable working relationships between government and voluntary organizations, the shift in governance creates pressure to address the relationship at a macro scale and lay out the terms of engagement of each actor. Mechanisms and structures must be in place to ensure collaboration and dialogue. This requires developing a more systemic, whole-of-government approach to the relationship and avoiding unequal interactions between different line departments and voluntary organizations. It also requires that the expectations of the voluntary organizations be aligned with those of the government.

Building Relationships

On a macro scale, the exercise of relationship building undertaken by the federal government and the voluntary sector was moving into high gear by the end of the 1990s. The creation of the Voluntary Sector Task Force had centralized conversations unfolding across various government departments on the importance of their relationship with the voluntary sector. The VSTF consulted widely with voluntary organizations to prepare an Aide-Mémoire for Cabinet to advise how to provide substance to the 1997 Red Book commitments. According to David Good (2003, 123), "This was an important step to permit public servants