

**The Voluntary Sector  
At  
A Crossroads**

*Gavin Perryman*

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## Introduction

This personally reflective essay is an attempt to explore the broader picture [1] of change in the voluntary sector in British Columbia. It focuses on those voluntary organizations concerned with social or community services – what we might call the community services sub-sector. The underlying question is whether or not it makes sense to continue to talk about a separate voluntary, or non profit, or charitable sector in British Columbia; and, wider, in Canada [2].

The essay reflects the story of voluntary organizations in the community services sub-sector in British Columbia over the past two decades; and my own experience with hundreds of local, regional, and provincial organizations as a senior manager, researcher, consultant, funder, and teacher. I was inspired to write it in response to the Labour Accord [3], recently reached in the community services sub-sector, which is “one more nail in the coffin”<sup>1</sup> [4] of our traditional images of the voluntary sector. The Accord may well be a good thing – for the butterfly cannot emerge until the larva, pupa, and chrysalis phases are truly over, and done with. But, what might that butterfly or butterflies look like? What is our imagined picture of a viable and dynamic voluntary sector for the 21<sup>st</sup> century? And, does any of this really matter?

What I am hoping to do through the essay is to evoke a broader dialogue about the future of the voluntary sector [5] in British Columbia, as part of the discussions emerging across the country.

- ❑ What is the current state of the voluntary sector in British Columbia? What forces of change are at work? What is emerging?
- ❑ What languages and metaphors do we need to construct if we want to more intentionally create a voluntary sector that truly matters in the 21<sup>st</sup> century?
- ❑ What does, or should, it mean for a specific organization to call itself voluntary, non profit, charitable, grassroots, ...? Does any of this really matter?
- ❑ What research studies might help all of us understand, and act upon, these questions more deeply?

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<sup>1</sup> Earlier drafts of this essay were titled: One More Nail In The Coffin. They were reviewed by diverse colleagues, both consultants and Executive Directors.

## The Emerging Story <sup>2</sup>

Whether the Labour Accord recently signed in the community services sub-sector in British Columbia is seen as beneficial or not, we need to see it as an inevitable outcome of the deeper rivers of change that have been shaping large chunks of the voluntary sector over the past 20 years: professionalizing, privatizing, regionalizing, and bureaucratizing (or centralizing).

Professionalizing refers to the shifts from volunteer-delivered services to staff-delivered services, and to increasing expectations regarding staff qualifications. It also includes the shifts in power from Boards to managers. Privatizing has been the strategic direction of government managers since 1983, expanding services through contracts with non profits and private businesses, rather than direct government services. This had its roots in the government of the day's desire for a smaller civil service, but has been sustained more by the flexibility of the strategy. Regionalizing refers to the trend to see service delivery systems on a much larger basis, beyond the local community. And, bureaucratizing includes all those recent changes that have led to increased government control over contracted services (for example: accreditation, outcome measure evaluations, sector-wide bargaining, employers' councils,...). Control is justified in the name of accountability, efficiency, and effectiveness.

These currents of change, often turbulent, flow out of self-organizing processes at a deeper systems level <sup>3</sup>. In other words, complex, large, and mature systems tend to re-organize themselves, seeking simplification, balance, and new energies to sustain themselves for the longer term [6].

What I am suggesting, here, is the following <sup>4</sup>.

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<sup>2</sup> The use of the word, "story", throughout the essay is quite intentional. It captures the elements of history, values, histories, beliefs, and myths, as played out in both individual voluntary organizations and the voluntary sector as a whole. "Story" suggests narrative, myth, and theatre.

<sup>3</sup> This essay is not the place to enter into a discussion about the nature of systems, and how they self-organize. See, for example, Fritjof Capra, The Web of Life, Anchor Books, 1996 [6]; or, the work of Henry Mintzberg on emergent strategies – Mintzberg, Ahlstrand, and Lampel, Strategy Safari: A Guided Tour Through The Wilds Of Strategic Management, Free Press, 1998.

<sup>4</sup> Others have also pointed to these dynamics. See, for example: Ralph Kramer, "Voluntary Agencies And The Contract Culture: Dream Or Nightmare," Social Service Review, 1994; Jo Rekart, Public Funds, Private Provision: The Role of The Voluntary Sector, Vancouver, UBC Press, 1993; William Ryan, "The New Landscape For Non Profits," Harvard Business Review, January/February, 1999; and Lester Salamon, "The Marketization Of Welfare: Changing Non Profit And For Profit Roles In the American Welfare State," Social Service Review, 1993.

- ❑ A particular systemic approach to defining, funding, delivering, and evaluating community services has emerged in British Columbia in the past two decades [7].
- ❑ The system includes, or encompasses: Provincial contracting ministries, regulators, Provincial policy units, professional associations, unions, organizations providing services, clients, their families, staff, ...
- ❑ The nature of the system, in large part, shapes the thinking and acting of the individual players.
- ❑ It no longer makes any sense at all to talk of voluntary organizations as being independent, or acting “arms length” from government.
- ❑ The system, itself, is re-organizing, and this is essentially defining the future of voluntary organizations in the community services sub-sector [8].

The primary characteristics describing the system of community services within British Columbia include:

- ❑ size, reflecting the considerable growth from 1985 on
- ❑ maturity, including very little change in what and how services are delivered
- ❑ consistency, arising from increasing public demands for service entitlements across all communities
- ❑ clear boundaries, resulting from clearer definitions of what is health, social, education, ....
- ❑ complexity, including many players, and an increasing focus on clients with more complex needs
- ❑ risk avoiding, arising in part from public, media, and political demands that no one ever be hurt.

We could stop here, and enter into a more historical discussion of all of these changes, but this is beyond the scope of this essay <sup>5</sup>. Some of the key “events” include:

- ❑ the L.I.P. grants of the late 1960’s and early 1970’s
- ❑ the decision to close down, deinstitutionalize, major institutions for people with disabilities in the late 1970’s
- ❑ the public recognition of family violence issues in the mid 1970’s
- ❑ the decision by the Socred government in 1983 to emphasize privatization
- ❑ the rise in gaming throughout the 1980’s [9]

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<sup>5</sup> See, for example, Gavin Perryman, Taking The Long View Of The Voluntary Sector, Client Newsletter, January, 1996; and Gavin Perryman, The Winds Of Change, Perryman Publications, January, 1998.

- the Korbin Commission in the early 1990's<sup>6</sup>
- the transfer of responsibilities from the Federal government to the Provinces regarding social housing, labour market training, immigrant services, ... throughout the past decade [10].

Such a history would also mean looking at the links between what has happened to voluntary organizations, and the history of community services themselves<sup>7</sup>.

For two decades, we have been grafting on to our traditional models and understandings of the voluntary sector: contracting, gaming, planned giving, accrediting, entrepreneuring, unionizing, ... Grafting can only go so far before the original roots and organisms need to, and inevitably do, mutate significantly.

It is time to let go, risk, and create new metaphors that better fit our current and future constructed realities. The voluntary sector, at least as we have known it, is no longer sacred.

## **Language, Beliefs, And Mindsets**

It is important to unpack some of the language we have used, and still use, to describe the voluntary sector. The language embeds our beliefs and values. The language constructs the metaphors, models, and mindsets, that we need to jettison.

Many of our voluntary organizations have their roots in the work of volunteers: giving birth to new associations and organizations, initiating new programs and activities, delivering services, carrying out management functions, advocating, ... The organizations started out with a small volunteer-delivered service: a volunteer bureau or a lay counselling program, perhaps. Over time, they grew, typically by taking on more and more government contracts [11].

Voluntarism was about caring for communities, giving back and donating time, money, and spirit. It was about making choices freely, building community, and being passionate.

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<sup>6</sup> Appointed by the Harcourt government in British Columbia to “make sense” of the Provincial contracting system. The commission’s gift was the new term, “public sector employee,” which has served to further bind the relationships between the Provincial government and voluntary sector organizations.

<sup>7</sup> See, for example, Andrew Armitage, “Lost Vision: Children And The Ministry For Children And Families,” B.C. Studies, Summer, 1998.

Volunteers and voluntarism are still very much alive and well, though perhaps altered by different motivations such as learning and gaining work experience. In this sense, altruism, civic spirit, and community building remain part of the fabric of local communities [12]. There are some voluntary organizations (for example: Big Brothers or many local neighbourhood sports leagues) that remain deeply rooted in the work of volunteers. And, there are others that have one or two major programs that rely primarily on volunteers (for example: VON's Meals on Wheels).

However, for larger chunks of the voluntary sector, and particularly the community services sub-sector, volunteers and voluntarism no longer play a defining role. Their presence is residual, a shadow of the past. Staff deliver services, carry out management roles, and maintain the primary relations with clients, other agencies, and funders. Boards have much more limited influence [13].

Further, many public (for example: schools and recreation centres), quasi-public (for example: hospitals), and private sector organizations (for example: the Vancouver airport and Whistler/Blackcomb) rely to some extent on volunteers. This reinforces the point that voluntarism is no longer a defining characteristic for the voluntary sector. It is an aspect of the on-going life of many organizations. We ought to see this as an exciting potential.

Voluntarism has also been about donating. Again, this remains strong in Canada, particularly in churches. But, there have been major shifts.

- ❑ There are many voluntary organizations that have essentially no community financial support, outside of gaming which is now a Provincial grant program.
- ❑ Fund raising has become largely professionalized. Witness, for example, how mail campaigns are now run, or the high salaries paid to fundraising staff [14].
- ❑ Fund raising has become increasingly dominated by larger organizations, and by the activities of public and quasi-public organizations [15].

Finally, voluntarism was about choice, passion, and advocacy. New associations [16] were born as a way to give some organizational structure to peoples' passions: for tackling community issues, providing choices to people in need, and advocating for change.

For many voluntary organizations, particularly in the community services sub-sector, choice is no longer a defining issue. Whom they serve, and how, is determined by the funders. Someone else is the gatekeeper for service entry, determines the service standards, sets staffing policies and compensation rates, ....

Advocacy has weakened. It has shifted from Boards and volunteers taking public or political action, to Executive Directors managing their relations with funders and larger service systems. New structures have emerged to “advocate” at the Provincial level, but largely they consist of staff and managers. They focus primarily on service and staffing issues, not on the questions of the future of the voluntary sector, or the unique needs of local communities. In other words, coalitions, consortiums, and partnerships, working within the system, have taken the place of advocacy.

At the same time, there has been considerable talk about the importance of prevention, though limited action in terms of allocating funds. However, prevention has been somewhat “neutered” by insisting that it be seen as part of an “integrated, seamless continuum of services.” As a result, prevention becomes individually focused, not shaped by considerations of community assets, root causes, or advocacy.

Finally, for many voluntary organizations, passion has become more an attribute of staff, carrying out their professional duties, well and innovatively, within larger and maturing service systems. For volunteers, Boards, and members [17], passion has waned. This is a strong statement, but it reflects much of my experience as a consultant with many diverse voluntary organizations. Underneath, people are looking for a renewed Spirit for their voluntary organizations. However, I suspect that they will not find this within the voluntary sector as it has emerged, particularly the community services sub-sector.

## **Blurring Boundaries**

We have used the words voluntary sector, non-profit or not-for-profit sector, charitable sector, third sector, ... to capture our beliefs that voluntary organizations are, and should be, separate and distinct from government and private businesses. At the core, this has been about affirming the independence and importance of voluntary organizations, and clarifying the boundaries separating the three sectors.

The defining words have been largely negative: not profit driven, not large, not bureaucratic, not rule bound, not rich, not selfish, not self-centred, not political, ... The boundary lines have been weak, allowing for many diverse associations and organizations to co-exist within this thorny skein we have called the voluntary sector. We have used these defining words to struggle to capture our beliefs that voluntary organizations are, or should be, at their heart: passionate, caring, innovative, different, ...

Much of this has now changed [18], as a result of the changing nature of government contracting.

Corporations, small businesses, and private operators have entered, and are doing so more frequently, fields of service traditionally held by voluntary organizations. New partnerships are being created between voluntary organizations and private businesses. Voluntary organizations are being pressured to become more “business-like,” and are choosing to become more entrepreneurial [19]. The lines between what is voluntary and what is private are blurring.

Perhaps more important is that many voluntary organizations, particularly in the community services sub-sector, have become, or been defined to be, public sector employers. The lines between what is voluntary and what is public are blurring.

These voluntary organizations contract with major service systems [20] within the Provincial government, belong to provincial employers’ councils, are in line to be accredited by Provincially chosen accrediting agencies, are unionized and part of sector-wide bargaining processes, hire staff who are loyal first to their professions, ... Many, perhaps most, provide excellent services. But, the question being raised in this essay is whether we should continue to see these organizations as part of the voluntary sector.

The boundary lines between what we have considered government and voluntary are not only being blurred, but, more fundamentally have been torn apart. What is emerging is a large number of voluntary organizations who are, effectively, quasi-crown corporations [21]. Those voluntary organizations which are primarily contracting with government are first accountable to their funders, and second to their clients. Their managers largely report to civil servants. Accountability to the community is long gone [22].

This is not an argument about government conspiracies, or the “controlling character” of the current government in British Columbia. Rather, these changes emerge out of complex and maturing service systems, particularly in times of severe fiscal restraint. Whether the Provincial government in British Columbia is interested in preserving a viable and separate voluntary sector is another matter. My own read of the evidence is they are not.

The traditional political perspective of voluntary organizations has been that they are independent, “owned” by their members, and accountable to their local communities. The independent ownership was balanced by the responsibility to the local community. Much of this has also now changed. Membership has declined, both in size and importance. Accountability has shifted away from Boards and the community, to funders and clients. Regionalization has led to organizations with little or no community roots.

Economically, we have shifted from voluntary organizations emerging to fulfill needs and interests not met by government and the private sector, to seeing, at least a large chunk of, the voluntary sector as existing to respond to the needs of government for flexible ways to deliver services, needed and demanded by local communities. Many call this down-loading<sup>8</sup>, but I believe it is better seen as part of the broader systems-integration processes underway.

## Re-Imagining The Voluntary Sector

In response to the recently signed Labour Accord in the community services sub-sector in British Columbia, there have been cries for radical change in the relationships between non-profit service providers and the Provincial ministries. We need to be very clear about whether this debate is about how government contracted services are best structured and delivered [23]; or, about the fundamental nature and existence of the voluntary sector. This essay is about the latter.

If we are to pursue a dialogue about the future of the voluntary sector in British Columbia, and, wider, in Canada, it needs to be in the context of the deeper changes that are emerging as we move into the 21<sup>st</sup> century<sup>9</sup>.

Five of the deeper changes seem key to this essay.

- ❑ Boundaries generally are being blurred: mind/body, personal/public, work/play, local/national/global, ... This may suggest that trying to sort out clean boundaries between the voluntary, private, and public sectors no longer makes sense, or is necessary.
- ❑ Diversity and pluralism will shape how we see the world, construct our foundational stories, relate to each other, build and manage organizations, .... This may suggest that the diversity of what we consider as the voluntary sector will expand, not decrease.
- ❑ Knowledge, imaginations, and beliefs will be constructed personally; though, hopefully, in tough dialogue together within communities and organizations, and globally. This suggests that what will be most critical is each voluntary organization struggling through to create its own stories of what it means to be “voluntary,” letting go of traditional wisdom and perspectives, but also journeying in relation to others.
- ❑ In the shift to a post-industrial society, relationships among individuals, families, organizations, and communities will become more complex and fluid.

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<sup>8</sup> A perjorative word that, I suspect, does not help us think freely and openly about the future. The term suggests a “golden past” that we can return to.

<sup>9</sup> See, for example: Walter Anderson, Reality Ain't What It Used To Be, Harper Row, 1990; Ruben Nelson, The Post Industrial Futures Project, unpublished, 1989; and Gavin Perryman, The Winds Of Change, Perryman Publications, January, 1998.

- The distinctions among work, play, learning, and jobs are blurring, as we move more and more into an economy based on contracts, self employment, part-time work, and multiple careers. This suggests, perhaps, that the distinctions between volunteers and staff may well need to be re-thought or done away with.

At this point, I see four possibilities for re-imagining the voluntary sector.

1. *Returning to the traditional foundational stories*
2. *Redefining the boundaries around the voluntary sector*
3. *Creating new foundational stories*
4. *Doing away with the voluntary sector as distinct from the public or private sectors*

There may well be others.

## **Returning To The Traditional Foundational Stories**

Can we return to the not so distant past, and re-create our voluntary organizations as rooted, again, in voluntarism, community funds, community accountability, innovation, choice, passion, ...? This would require, at least, building independence from government, a more viable membership, and stronger community connections.

A number of points need to be made.

1. Those voluntary organizations, particularly in the community services sub-sector, who are delivering staff-based services to meet the needs of complex clients<sup>10</sup>, are stuck with government funding or contracting. Fees or community funds will not work here.
2. Older, more-established organizations (for example: YMCA, YWCA, Boys' and Girl's Clubs, ...) have a distinct advantage in pursuing these directions because their name recognition, historical credibilities, buildings, and endowment funds give them assets to create independence. They can make choices that newer and smaller voluntary organizations cannot sustain.
3. One primary strategy people have considered for "holding onto the traditional foundational stories" is the mixed-type organization. By creating internal diversity, where some activities are contracted to government, and others are supported through fees and community funds, people see a route through to independence, sustainability, and robustness. They also hope that fee-based approaches will create profits to be used to subsidize community-based approaches [24].

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<sup>10</sup> For example, services related to children and youth at risk, dysfunctional families, people with severe disabilities, women experiencing violence, ....

## **Redefining The Boundaries Around The Voluntary Sector**

As we think about the future nature, and very existence, of the voluntary sector, it may help to recall some of the basic types of organizations that are now considered part of the sector [25]. We could become clearer about the voluntary sector in the future by focusing on some types, and not others [26].

- ❑ Community associations, often informal and typically small and volunteer-based, that are usually focused on one issue or activity. Local sports leagues are good examples. Funding typically comes from fees and some community support.
- ❑ More structured, typically incorporated, but still small voluntary organizations, again focused on one issue or activity. Volunteer bureaux, Big Brothers, and some arts organizations would be examples. Volunteer service delivery is emphasized. Funding is typically a mix of government grants (not contracts) and community fund raising. These organizations can also, and often do, change into a more staff delivery service model.
- ❑ Public sector employers that largely contract with government. Associations for Community Living, many family serving agencies, transition houses, and child development centres would be good examples.
- ❑ Entrepreneurial organizations that compete in the market. The first aid training side of St. John's Ambulance, Royal Life Saving, and private schools would be examples. Revenues are dominated by fees.
- ❑ Membership based organizations, often with few staff resources, that are focused on furthering the interests of a specific group of people. Professional associations, chambers of commerce, and unions are examples. But, this type might also include many self help groups (for example: Alcoholics Anonymous).
- ❑ Private businesses, re-defined as non profit voluntary organizations, so that they can access government support. Many arts organizations fit here [27].

The public policy debate or dialogue, then, is about which of these types best “fits” our understandings of the future of the voluntary sector. My inclination would be to focus on the first two.

## **Creating New Foundational Stories**

If we want to argue for a continued strong, and separate, voluntary sector, we could begin to create a new set of foundational stories – new languages and metaphors – to “imaginize” the future. This is where, I believe, we need a much deeper and more open public dialogue.

Here are some “thinking out loud” ideas.

- ❑ We need opportunities for people to volunteer. But, this can be done within many different kinds of organizational structures: public, quasi-public, private, .... A rationale for the voluntary sector does not lie here.
- ❑ We need organizational structures that can relate to local communities, even be accountable to local communities. But, this can be done in a variety of ways, including annual social audits [28], requirements for public reporting, accreditation processes that actively involve community members, appointed boards, and public involvement processes [29]. A rationale for the voluntary sector does not lie here. In fact, the trend in society is to move toward demanding more community, social, and environmental responsibility and accountability from all kinds of organizations [30].
- ❑ We need opportunities for people to donate freely. But, as I have already argued, this is being done in a variety of ways. We could go further and allow people to donate to all kinds of organizations, including private sector businesses, as long as the activity to which the money is being dedicated somehow reflects the community, common, or public good. A rationale for the voluntary sector does not lie here.
- ❑ We need ways to ensure organizational continuity, so that there is service continuity, and protection for clients and customers. This has been part of our traditional arguments for Boards. They exist, at least legally, as Executive Directors come and go. They are responsible for hiring a new Executive Director to ensure continuity. In reality, most of the practical continuity in voluntary organizations rests with staff and management. Board members come and go. There are probably other strategies that could be used to ensure continuity when an Executive Director leaves.
- ❑ We need opportunities for people to come together to start new ventures that are needed in local communities, or to operate services that government does not want to deliver or fund. But, the private sector does this well. Traditionally, we have seen a need for the voluntary sector here, because we have viewed the private sector as being largely profit driven. But, this is also changing. First, more private corporations are looking at the broader issues of social, environmental, and community responsibility. Second, as the economy and the labour market shift towards more and more self employment and small businesses, people will start new private companies, not because they see the potential for profits, but because they see a way to follow their passion and create a sustainable living for themselves, and a few employees.
- ❑ We need organizations that are going to innovate, and develop new ways of delivering services. Again, the private sector does this well, perhaps much better than either government or the voluntary sector.
- ❑ We need organizations, structures, and processes where people can be civic minded: learning, advocating, and building community together. This relates to the word, “association”, and to the ideal of active citizenship [31]. It also links to the growing interest in learning organizations and learning communities. This, perhaps, is the strongest rationale we can put forward for a separate and distinct voluntary sector [32].

The last point above relates to some thinking that I advanced in an earlier client newsletter<sup>11</sup>, where I suggested that healthy voluntary organizations need to have three separate “lives”: associational, entrepreneurial, and service/industry.

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<sup>11</sup> Gavin Perryman, [Are Standards Useful?](#), Client Newsletter, May, 1997

- ❑ The associational life refers to the opportunities for citizens to come together freely to learn, dialogue, build community assets, advocate, and inspire change. In older language, we might call this the community development side of the organization.
- ❑ The entrepreneurial life refers to those people, processes, and places in the organization that are focused on research, development, innovation, and the creation of new ideas.
- ❑ The service/industry life would include all, or almost all, current operations, services, and programs. In other words, it represents the current “train tracks” of the organization.

Each organizational “life” would have its own structures, resources, staff, volunteers, and accountability processes [33]. Further, the role of the Board would be to lead and model, for members and community people, the associational “life”. The Board would have its own staff, and would play only limited roles in the other “lives”.

## **Doing Away With The Voluntary Sector**

There is an alternative to trying to create a re-definition or renewal of the voluntary sector. That strategy would be to say there are only organizations, all incorporated under one piece of legislation. And, each organization would carry the responsibility for defining clearly what they are, how, with whom, why, .... This would do away with the private, public, and voluntary distinctions. It would rest responsibility where it, perhaps, should best lie, with the community of people creating each organization.

How might this work?

We could start by agreeing that the right to form a legal organization, of any kind, is not an unquestioned entitlement. In return for the right to create a new legal organization, there would be responsibilities. The most fundamental one would be an expectation that people starting a new organization state clearly what kind of organization it is going to be, and why.

Further, people would be expected to make publicly transparent statements regarding their organization’s position on non profit versus profit status, social responsibility, environmental responsibility, accountability processes, governance processes, continuity, ... On this basis, we would judge whether the organization has the right to legal status, is worthy of tax exempt status, should have the capacity to give out tax receipts, has the right to apply to foundations and United Ways, ... This would be an expansion of the processes we now use when non profit organizations apply for charitable status.

## **Building Capacity, But For What?**

Over the past decade, there have been many reports <sup>12</sup> arguing for the importance of building the capacity of the voluntary sector, through, for example, training and consultation.

There all sorts of questions that can be raised about these discussions. Training and consulting resources exist, and are expanding. Resources to pay for training and consulting may be an issue, but there are increasing funders, government, foundations, and United Ways, prepared to fund such efforts. And yet, many voluntary organizations do not reach out for support and assistance, formally or informally. This is an important area for further research.

This leads back to the central theme of the essay, that we need a new conceptual framework of voluntary organizations, voluntary action, and the voluntary sector. My sense is, that without this, the passion and capacity of current voluntary organizations to adapt and change will continue to decline, as people feel constantly buffeted by the powerful and swirling winds of change, are overwhelmed by a strong sense of being powerless, and have no clear vision of what the long term future might look like.

The world of the 21<sup>st</sup> century will be very different from what we have been living through for the past few decades, even if the seeds of the future are already deeply present. The question is what all of this might mean for the voluntary sector.

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<sup>12</sup> For example: the draft strategy put out by the British Columbia Minister for Volunteerism and Community Services, the Social Reconnaissance report written for the Vancouver Foundation, and the report of the Broadbent national task force.

## End Notes

[1] Looking at the overall forest runs the risk of missing the rich diversity and vibrancy of the individual trees. Some readers may react, saying that “My organization is different” or “Arts organizations have experienced a different story” or “Ontario is different”.

Nevertheless, in my experience, taking a broader ecological perspective helps all of us understand the powerful and swirling winds of change affecting individual voluntary organizations. Two points are key. First, at the individual organizational level, there is a strong tendency to become caught up in panic reactions to the changes of the moment – those “right in front of our noses”. Boards and senior managers, alike, will not be able to chart the future courses of their organizations well without deeper, wider, and longer term understandings of the winds of change. Second, the broader picture enters us into a dialogue about the future of the voluntary sector as a whole, which is the focus of this essay.

There is quite clearly a need for much more research, developing rich descriptions of the histories of specific and diverse voluntary organizations<sup>13</sup>, so that we can understand more deeply how and why changes have emerged at the micro level of individual organizations, within specific sub-sectors, and across the voluntary sector as a whole.

[2] There is an obvious question as to whether the lessons from the past two decades within the community services sub-sector in British Columbia can be generalized to other sub-sectors or other provinces. Certainly, the health sub-sector in British Columbia has witnessed a very parallel story; and, in my experience, closely related stories are unfolding in child care, women’ services, immigrant services, and social housing. When the forces of the winds of change that operate at a systems-wide level are quite similar (for example: the search for rationality, control, efficiency, and accountable outcomes), we should expect to see similar long term results<sup>14</sup>. I also suspect that there are related stories in other provinces.

However, the point of this essay is to raise issues for further research and dialogue. In other words, I am less concerned with saying that “It is this way”, and much more wanting to say: “It appears to be this way from my experience, how does this fit your reality and experience?”

[3] The essay is not a diatribe against unionization. Unions inevitably bring benefits and costs, part of doing business in organizations that are more and more staff influenced. The point is that increasing unionization, and sector-wide bargaining, are inevitable outcomes of the community services system we have been building for years.

The use of the word, Accord, is ironic. It suggests widespread agreement among all of the players. And yet, the architect of the final decisions was essentially the Provincial government, allied with the labour movement. Staff, Boards, managers, clients, families, other funders, and community members had little or no role to play. The Accord, then, is one more example of centralized power and decision-making.

It is also interesting that there has been, at least publicly, no discussion about the long term implications of the Labour Accord. Significant increases in salaries, in times of fiscal restraint and public unwillingness to increase taxes, are likely to mean reductions in services. Greater attention to job security will likely lead to less organizational and service flexibility. This is another irony, as many people have been arguing that voluntary organizations need to become more flexible, adaptive, entrepreneurial, nimble, .... There will

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<sup>13</sup> An upcoming publication by Michael Clague and Bruce Levens on the characteristics of successful non profits in the community services sub-sector in B.C. should provide some initial useful case materials.

<sup>14</sup> An unpublished paper by Paul Gallagher on the community college system in B.C. reinforces this perspective.

also be increasing difficulties in maintaining activities supported by other funders. In other words, the Labour Accord will further energize the community services system to tighter boundaries between different kinds of organizations, contracted service systems, and funding patterns.

Finally, the Labour Accord, and the resultant jockeying for power, is affecting the atmosphere and culture of voluntary organizations. For many staff and managers, there is much less of a sense of fun, play, and passion for clients and community. One of the unintended results may be that some of the best staff and managers in the voluntary sector choose to find more satisfying careers elsewhere.

[4] Some readers may find the tone of the language in parts of the essay as being too negative, grim, or bleak. I want to be clear that I am not being critical of the people who pour their passions and energies into volunteering, being on Boards of Directors, or participating in other ways in voluntary organizations. Rather, I am reflecting my own sense that we need to find fundamentally new understandings of voluntary action and the voluntary sector for the 21<sup>st</sup> century. In order for this to happen, we need to let go of, let die, the past. Part of the point of this essay is that our traditional understandings of the voluntary sector, which emerged out of the 1930's to the 1950's, are no longer relevant or viable, and are unconscious blocks to our moving forward.

[5] Defining the voluntary sector has always been notoriously difficult. The sector is multi-dimensional, with incredible diversity among the organizations that identify themselves, or are identified by others, as being part of the sector. The diversity encompasses: organizational size, focus of activities, revenues, staffing patterns, age, national or international connections, ... The boundaries around the sector are quite fuzzy.

No one organization, or type of organization, "represents" the sector. Each of us builds our own perspective, our own foundational stories, of the sector through different experiences as staff, volunteers, Board members, clients, funders, suppliers, and contractors.

The tendency has been to define the voluntary sector in negative language: not for-profit, not bureaucratic, not government, ... In fact, some prefer the words, the "third sector", embracing everything that is not government or private business. Others have taken a socio-economic functional argument. For example: Marshall argues: "The only common feature is their mediating character – the fact that they give individuals a role and a place in social life, and, potentially, social change. They represent action that is both collective and yet personal ... the voluntary sector provides the marketplace for negotiating social values and relationships."<sup>15</sup> And, others have taken an ideal characteristics approach, for example: "Voluntary organizations are, or ought to be, more innovative or compassionate than private or public organizations."<sup>16</sup>

Part of the point of this essay is to challenge these stories or myths that we tell each other about the voluntary sector. Are they empirically accurate? Are they still relevant?

[6] A good example of this is happening now within the national, or even global, telecommunications industry/system, in response to new technology, deregulation, and changing customer demands. The airline industry is another example. It might help us if we talked about the community services sub-sector as an industry, letting us use private sector examples to illuminate what we are going through. However, it is

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<sup>15</sup> Tony Marshall, "Can We Define The Voluntary Sector?", in Voluntary Organizations: Challenges Of Organization And Management, eds. David Billis and Margaret Harris, MacMillan Press, 1996

<sup>16</sup> See, for example, the June, 1999 Research Bulletin of the Canada West Foundation, Great Expectations: The Ideal Characteristics Of Non-Profits.

always easier to step back and look at what is happening in someone else's field of endeavour, and much more difficult to do this when immersed in our own perceived realities.

[7] Other systems might have emerged, but did not. An important example would be the system that would have been created if, rather from shifting from "communities know best" to "government knows best", we had moved to "clients know best". There are elements of such a client-based service system, particularly within the field of services to people with disabilities, but they play only a minor role in the larger picture.

[8] For some people, this may seem overly pessimistic or deterministic.

Two points need to be made. First, empirically, do the facts support this kind of perspective? On the whole, though there are always counter-examples, I believe they do. The inability of the Community Social Services Employers' Association of B.C. to "protect" the fundamental stories of its voluntary organization members is one example. Second, thinking out into the future, will voluntary organizations in the community services sub-sector be able to retain any unique sense of themselves as voluntary organizations; or, should we start to see them as quasi-crown corporations? The underlying theme of this essay is to raise this latter question to the light of day for broader public dialogue.

There is a third point, beyond the scope of this essay. From an organizational development perspective, what does it take for a specific voluntary organization to find ways to better chart its own future, with some degree of independence? This takes us into the whole field of organizational planning and change. While I do not believe that environment determines everything, experience suggests that we should not be overly optimistic about the independent will and capacity of Board members, managers, staff, volunteers, ... to act and plan independently. There is research to be done to explore planning and change processes that are supportive of voluntary organizations who want to create their own sense of a viable and sustainable future

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I am convinced that, without creating new languages, imaginations, metaphors, mindsets, or foundational stories for the voluntary sector, there is little point in expecting individual voluntary organizations to find ways to remain different.

[9] There is a research study to be done to explore the impacts of gaming on the voluntary sector as a whole. One such is currently underway at the Canada West Foundation. Throughout the 1980's, gaming revenues grew significantly. My own sense is that this slowed down any serious attention within many voluntary organizations to developing alternative, truly independent from government, revenue sources. Gaming served to fill the holes, covering under-funded (or poorly negotiated) government contracts and administrative costs. Now, gaming revenues are quite clearly Provincial government grants, part of the increasing connectedness between voluntary organizations and the Provincial government.

[10] There is another important research study to be done to explore the impacts on the voluntary sector of the transfers of responsibilities from the Federal to the Provincial governments. These transfers (for example: in social housing, labour market training, and immigrant settlement services) have pushed many voluntary organizations into closer relationships with their Provincial governments, and to the kinds of complex service systems that this essay is discussing.

My sense is, also, that the transfers have allowed Federal interests concerned with the voluntary sector to switch from discussions about service delivery concerns to questions of innovation and the civic society. The trouble is, that in the process, nationally, people seem to have forgotten that most community voluntary organizations see themselves in terms of service delivery mindsets and languages.

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<sup>17</sup> See, for example Gavin Perryman, Exploratory Reflections On Art, Facilitation, And Change, Client Newsletter, August, 1998; and Gavin Perryman, Puzzling Over Strategic Planning, Client Newsletter, February, 1999.

In fact, one of the weaknesses of many voluntary organizations is that they focus so much on themselves as service providers, and on the quality and adequacy of the services in their local communities, that they often forget that they are organizations with, potentially, other roles (for example: advocacy, public education, economic development, and innovation) in their local communities. This raises a critical challenge in re-imagining and re-creating a healthy and relevant voluntary sector. For if a voluntary organization has no sense of itself as an organization, no self-reflective capacity, then it will be largely swept along in the systemic shifts.

[11] Voluntary organizations are like plants, turning towards the sun for the resources they need to survive and thrive. But, without strong roots, and access to other nutrients, plants corkscrew, grow too tall, and die. Voluntary organizations have often done likewise, seeking more funding, at the risk of loss of attention to identity, Spirit, ideas, people, and community.

[12] This is the image that has been picked up by the B.C. Provincial Minister responsible for Voluntarism and Community Services. Her strategy, focusing largely on volunteer recognition, will likely have very little impact, unless it begins to address the more fundamental issues facing the voluntary sector. Alternatively, she could focus only on volunteerism. This would mean working with many different kinds of organizations, including, for example, private businesses, local public organizations, and political parties, and not being caught up just in the community services sub-sector.

[13] This is turning out to be a crunch question in many voluntary and quasi-public organizations despite, or sometimes as a result of, increasing attention to governance issues, and the work of theorists such as John Carver. The key challenge is the declining sphere of influence of Boards<sup>18</sup>.

If there are no real roles for Boards to play, and no work satisfaction for Board members, then the present legal structure of non profit organizations will fall apart. There are three questions. First, what accountability processes do we need to put in place if Boards do not exist? Second, what ensures organizational continuity? And, third, if we are to keep Boards, what added value do they bring to their organizations?

The work being done Federally looking at the future role of the voluntary sector, at the issues of charitable status and registration processes, and at the supports needed by the voluntary sector, is suggesting, in part, that the voluntary sector has much to teach the rest of society about governance issues. I suspect that this is a naïve view, based more on wishful thinking, and lack of being in touch with local community realities.

[14] There should be no doubt that professionalization of fund raising has generated increased results. But, I suspect there have been costs. Smaller organizations have lost out. And, even more importantly, the Spirit of philanthropy has waned.

[15] Why do we allow health boards, hospitals, parks boards, schools, and municipal councils to fund raise, even if this is vaguely disguised by the words, “building corporate partnerships”? The surface answer is that these organizations want more money, and that donors have the right to choose. I suspect there are deeper forces at work.

There is a huge public debate needed here. For example, why do we not go further, allowing people to donate freely to private sector organizations that are working for the public good? Why do we create special arrangements for political parties? Or, why do we not say “no” to the public and quasi-public organizations, arguing that community donations should only be available for community associations?

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<sup>18</sup> See, for example, Gavin Perryman, Creating Boards That Matter, Perryman Publications, Second Edition, January, 1999

There is a real fear that all funders (for example: government, foundations, and United Ways) could end up looking very much alike, driven by common concerns for rationality, accountability, efficiency, and measureable outcomes<sup>19</sup>. The question is whether any funder will be left who is interested in supporting passion and risk, or in developing a voluntary sector that is involved in more than service delivery issues.

[16] The word, “association”, may be critical to re-imagining the future of the voluntary sector. One of the deeper shifts over the past two decades has been the journey from informal associations to more formal organizations. This has been done in the name of service rationality, quality, effectiveness, and efficiency. If we try to capture the word, “association”, there may be new life given to choice, passion, advocacy, and civic mindedness. It seems to me that this is part of the core message of John McKnight and his associates<sup>20</sup>.

[17] The issue of membership in voluntary organizations needs considerable research. The essential pattern of the past decade, particularly in the community services sub-sector, has been declining numbers and involvement. Some voluntary organizations have re-defined membership from “open choice” to “Board approved”, as a way of protecting the current ways of doing business. Many have just stopped paying attention to membership issues.

There are considerable implications here for the ownership, governance, accountability, resource development, and advocacy processes of voluntary organizations. At the core, if there are no active members, then “ownership” shifts easily to staff, managers, and funders.

[18] There is interesting historical research to be done to look at whether the voluntary sector has ever been really different from the private or public sectors. Tony Marshall has listed eight ambiguous statements that have been used to demarcate the differences between the voluntary sector and other sectors<sup>21</sup>. He argues, as I do in this essay, that these have been more “beliefs”, not empirical realities. They are worth repeating here.

- ❑ *Voluntary organizations are about volunteering.*
- ❑ *The voluntary sector is more personalized, closer to the community; the statutory sector is more bureaucratic.*
- ❑ *The statutory sector serves consensus values; the voluntary sector is able to respond to minority values.*
- ❑ *The private sector serves private good; the statutory and voluntary sectors serve the collective good.*
- ❑ *The voluntary sector is primarily concerned with the disadvantaged.*
- ❑ *Control in the voluntary sector lies with the community, not with investors (private sector) or the government (statutory).*
- ❑ *The voluntary sector has a strong relationship with moral values.*
- ❑ *The voluntary sector is creative, innovative, flexible, and quick to respond.*

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<sup>19</sup> For example, look at the increasing focus among some United Ways on measurable program outcomes and program funding approaches.

<sup>20</sup> See, for example, John Kretzmann and John McKnight, *Building Communities From The Inside Out*, ACTA Publications, 1993.

<sup>21</sup> In, “Can We Define The Voluntary Sector?”, referenced earlier.

And, a ninth statement might be added.

- Voluntary organizations consistently deliver higher quality services than private or government organizations.

The point is that these statements have been foundational stories for many voluntary organizations. The reality is that, increasingly, they are either no longer true for many voluntary organizations; or, they are equally true for other sectors. The implication is that we need new foundational stories if we want to claim a place for a separate, independent, dynamic, and viable voluntary sector.

[19] This includes offering current services for fees, creating new services that people will pay for, and developing businesses whose profits will be used to subsidize other services and activities. Some of this has been around for years (for example: Y.M.C.A.'s and Y.W.C.A.'s). But, it has become a new "movement"<sup>22</sup>. Whether it will be successful, and what it will mean for the future of the voluntary sector, remains an open question and requires further research.

Several years ago, VON Canada published a national policy paper arguing that healthy VON branches need to be charitable (developing community), non profit (contracting with government), and business-like (running programs for fees and profits). The question that remains unanswered is whether all of these quite different strands can really be mixed together in one organizational culture.

[20] For example: health, child and family protection, justice, women's services, immigrant settlement services, labour market training, non profit or social housing, ...

It is worth noting that the boundary lines between these systems, despite much talk about integration, are also hardening up.

Again, I suspect that this, and many of the other changes identified in this essay, have much to do with the nature and management of complex and mature service systems, particularly in times of fiscal and resource restraint, using management models that are largely from the past – rationality, control, hierarchy, male dominated, strong division of labour, policies and rules, ...

[21] Many of these changes have been mandated by the Provincial government for voluntary organizations having contracts over a certain dollar threshold. This raises key policy questions. For example, if the dollar level was raised, for example to \$ 500,000, it might mean that some voluntary organizations could remain diverse, and voluntary in some traditional sense, and still contract with government. Most of the voluntary organizations that contract significantly with government are above this funding threshold<sup>23</sup>.

A related policy issue is whether we should allow community funds (for example: United Way and foundation support) to go to voluntary organizations that are, in effect, public sector employers or quasi-crown corporations.

[22] In changing the relationship between the Provincial government and those voluntary organizations who primarily contract with government, we could go much further, and give the Provincial government a role in appointing Boards and Executive Directors. These would be logical extensions of the changes that

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<sup>22</sup> Historically, it is interesting to note that there was a similar new "movement" to entrepreneurial activity in British Columbia in the mid 1980s.

<sup>23</sup> In the midst of drafting this essay, the Provincial government has, in fact, decided to raise the dollar threshold, though only to \$ 250,000.

have been emerging, and would bring the community services sub-sector more in line, for example, with the health sector with its regional health boards and community health councils<sup>24</sup>.

There is a related research study to be initiated looking at structures such as regional health boards and community health councils, and exploring whether they truly are accountable to local communities, and how.

[23] My own sense is that the essential elements of the systems of government contracted services are now set. The debate is about the details. Whether the changes of the past decade or so will result in more responsive, integrated, accessible, effective, and efficient services for individuals and families is an interesting, but unanswered question. The point is more that we are walking in a certain direction; and, that this direction will not shift for some years, and, only then, if the broader environment of the service systems changes dramatically.

[24] The evidence for the success of mixed-type voluntary organizations is not at all clear. The problem is that the underlying cultures of government contracted services, volunteer-delivered grassroots services, and fee-based services are wildly different. Experience suggests that the differences can be handled for awhile, as long as the organization is glued together by a wise, personally grounded, experienced, and skilled Executive Director. The challenge is that there may well not be enough of these people to go around. Grounding the future of the voluntary sector on “leadership” is as likely to be successful as it has been in the private sector, where the evidence is increasingly negative.

Two other points need to be made. First, the evidence for voluntary organizations becoming successful in business or fee-based approaches is mixed at best<sup>25</sup>. Second, government staff responsible for contracting for services may well be leery of relating to mixed-type voluntary organizations, as they are less transparent and controllable. However, if government was prepared to purchase units of service or specific outcomes for particular clients, a different contracting model, then the mixed-type voluntary organization might have more success.

[25] A key issue that is surfacing more frequently is the need for different types of incorporating legislation to reflect each of the different types of voluntary organizations. Trying to “stuff” all of the diversity of the voluntary sector into the single confines of the Society’s Act of British Columbia no longer works. Worse, we end up defining the voluntary sector by the existence and nature of the Act itself.

[26] One way to do this would be to focus United Way and foundation funding on certain types of voluntary organizations and not others. However, this would require such funders to move away from their increasing attention to service issues, and to return to more fundamental voluntary sector and community development questions.

[27] This is another example of how government and other funding structures have defined the voluntary sector.

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<sup>24</sup> It is worth remembering here the experience with Community Resource Boards, and Community Health and Human Resource organizations, in the mid 1970s. These were both advisory and more formal structures set up to increase service integration, and involve community people in policy development and grant allocation processes.

<sup>25</sup> See, for example, the results of the Enterprising Non Profits project, recently sponsored by the Vancouver Foundation, VanCity, and the United Way of the Lower Mainland.

[28] This is an expansion of the tradition of annual financial audits and financial reporting. It is being considered by a number of private corporations. Interestingly enough, very few voluntary organizations have started to look at this <sup>26</sup>.

[29] We expect these of municipal councils. Why not extend the thinking to include the major decisions that will affect the community, made by other kinds of organizations: private, quasi-public, and voluntary. The underlying issue here is what we mean by the word, “public”.

[30] For example, the discussions about stakeholder capitalism, or about more direct participatory democracy in some local municipalities and political parties.

This needs to be linked to the deeper changes in public attitudes regarding authority, participation, and traditional institutions of all kinds <sup>27</sup>.

[31] There is a connection, here, with the declining role of political parties and formal political processes. The evidence suggests that increasingly, we are both more distrustful of these traditional institutions and ways of doing business, and, at the same time, more interested in finding alternatives.

[32] It would be legitimate to argue that voluntary organizations have always stated that this is part of their mission. Experience suggests, however, that voluntary organizations who become focused on service delivery, links to formal service systems, or entrepreneurial activities, do not pay serious attention to these kinds of issues.

[33] This raises all kinds of questions about our traditional assumptions regarding staffing structures, Executive Directors, and Boards. For example, if Boards have their own staff, what relationships might they have with the staff of the other “lives” of the organization? Inevitably, I sense, we would end up talking more of collective leadership structures, federation models, and web-like relationship patterns. There is all sorts of writing emerging about this in the private sector <sup>28</sup>. We in the voluntary sector need to begin to play more with these ideas.

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<sup>26</sup> See, for example, Gavin Perryman and John Talbot, Social Auditing For Voluntary Organizations, Perryman Publications, January, 1998.

<sup>27</sup> See, for example, Neil Nevitte, The Decline Of Deference, Broadview Press, 1996.

<sup>28</sup> See, for example, Charles Handy, Beyond Certainty: The Changing Worlds Of Organizations, Harvard Business School Press, 1996; Sally Helgesen, The Female Advantage: Women’s Ways Of Leadership, Currency Doubleday, 1990; Gareth Morgan, Imaginization: New Mindsets For Seeing, Organizing, And Managing, Berrett-Koehler, 1997; and Gordon MacKenzie, Orbiting The Giant Hairball: A Corporate Fool’s Guide To Surviving With Grace, Viking Books, 1996.