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EDITORIAL / ÉDITORIAL

Marco Alberio
Professore di sociologia – Alma Mater Studiorum, Università di Bologna, Université du Québec (UQAR), Canada Research Chair in Social Innovation and Territorial Development

Laurie Mook
Arizona State University

Dear Readers,

We are very happy to present this issue of the *Canadian Journal of Nonprofit and Social Economy Research* (CJNSER)!

Please join us in welcoming to our editorial team Micheal Shier, professor of social work at the University of Toronto, in charge of our book reviews. Mike Shier has many years of experience in managing the journal *Nonprofit and Voluntary Sector Quarterly* and we are thrilled that he is joining us.

It sometimes feels like many years, almost decades, since the start of the pandemic and the beginning of the Russian attacks on Ukraine. However, this all happened in the last three years and still goes on. These events have strongly impacted our lives and the reality of nonprofit and social economy organizations. In addition, we face the advancement of artificial intelligence. Although we will not directly deal with these events in this issue, they always remain in the background.

Chers lecteurs et lectrices,

Nous sommes très heureux de vous présenter ce numéro de la *Revue canadienne de recherche sur les OSBL et l'économie sociale* (ReCROES)!

Veuillez vous joindre à nous pour accueillir dans notre équipe éditoriale le Micheal Shier, professeur de travail social à l'Université de Toronto, qui assumera la responsabilité des comptes rendus de livres. Mike Shier a de nombreuses années d'expérience dans la gestion de la revue *Nonprofit and Voluntary Sector Quarterly* et nous sommes ravis de le recevoir dans notre équipe.

On a parfois l'impression que de nombreuses années, voire des décennies, se sont écoulées depuis le début de la pandémie et les attaques russes en Ukraine. Cependant, tout a commencé il y a trois ans seulement et perdure encore aujourd'hui. Ces événements ont eu un grand impact sur nos vies et sur la réalité des organismes sans but lucratif et de l'économie sociale. Par surcroît, on doit faire face aux progrès de l'intelligence artificielle. Bien qu'on ne traite pas de ces événements en tant que tels dans le numéro actuel, ils demeurent certainement présents en arrière-plan.

Now to the specifics of our new issue. The first three contributions deal with the reality of nonprofit organizations and in particular deal with homeless shelters, nonprofit housing development in Canada and the community movement in Québec. The fourth research article is an important contribution on the behaviour of charities related to recording discretionary accruals when managing surpluses and deficits.

Kristen Pue and Anna Kopec in their article, "Do Service-Providing Nonprofits Contribute to Democratic Inclusion? Analyzing Democracy Promotion by Canadian Homeless Shelters" present the results of a survey distributed to Canadian charities that operate government-funded homeless shelters. They find evidence of activities falling within three areas of democracy promotion: support for political participation, internal democratic governance, and representative voices. The variation amongst different activities is presented in ideal types. Their empirical results point to a vital role of homeless shelters that extends beyond the satisfaction of basic needs, and contributes to a better understanding of the modalities of democratic inclusion for excluded populations.

"Can They Build or Not? Nonprofit Housing Development in an Era of Government Re-Engagement" written by Aijia Deng, Catherine Leviten-Reid and Luc Thériault explores the experiences of nonprofit organizations in securing support for new affordable rental housing development in three regions across Canada. They find that many challenges were

Passons maintenant à notre nouveau numéro. Les trois premières contributions traitent de certaines réalités des organismes sans but lucratif—plus précisément, elles traitent des refuges pour sans-abris, du développement de logements à but non lucratif au Canada, et du mouvement communautaire au Québec. Quant à lui, le quatrième article de recherche fait une contribution importante sur les ajustements discrétionnaires effectués par les œuvres de bienfaisance en gérant leurs surplus et déficits.

Dans leur article "Do Service-Providing Nonprofits Contribute to Democratic Inclusion? Analyzing Democracy Promotion by Canadian Homeless Shelters" (« Les OSBL offrant des services contribuent-ils à l'inclusion démocratique? Une analyse de la promotion de la démocratie par des refuges pour sans-abris au Canada »), Kristen Pue et Anna Kopec présentent les résultats d'un sondage distribué à des œuvres de bienfaisance canadiennes qui gèrent des refuges pour sans-abris financés par le gouvernement. Les auteures recensent des activités reflétant trois aspects de la promotion démocratique : l'appui à la participation politique, la gouvernance démocratique interne, et la mise en valeur de voix représentatives. Les variations parmi ces diverses activités sont présentées comme étant des idéaux-types. Les résultats empiriques du sondage indiquent que les refuges pour sans-abris ont un rôle vital à jouer au-delà de la satisfaction de besoins fondamentaux, et peuvent contribuer à une meilleure compréhension des modalités de l'inclusion démocratique pour les populations exclues.

"Can They Build or Not? Nonprofit Housing Development in an Era of Government Re-Engagement" (« Peuvent-ils le construire ou non? Le développement de logements sans but lucratif dans une ère de réengagement gouvernemental »), écrit par Aijia Deng, Catherine Leviten-Reid et Luc Thériault, explore les expériences d'OSBL dans l'obtention d'appuis pour développer de

reported, including ones pertaining to administration, and the design of funding programs (such as a lack of flexibility available to proponents). Overall, the results show that, despite significant and recent investments made available for affordable housing, the nonprofit sector faces many barriers in accessing these, and that significant changes are required so that housing organizations can provide rental units to those in greatest need.

Next we have an article by Yann Fournis, "Le mouvement communautaire québécois : plus on est de flou … ," which provides an in-depth analysis of the literature on the "Québec community movement" (QCM). The author conducts a two-tiered reading. In the first reading, the literature is examined with the intent of reflecting on the community movement itself. Then, in the second tier, the author reviews the objectives of QCM as presented in the literature to highlight the plurality covered. In a more critical perspective, Fournis then highlights the gap between practical and theoretical approaches, and the intellectual isolation of the field. As a theoretical reflection on an applied field, this article is an interesting contribution in an area where there is a dearth of literature.

The last research article of the issue is "Earnings Management in the Charitable Sector: A Canadian Study" by Dominic Cyr, Suzanne Landry and Anne Fortin. The authors seek to understand if charitable organizations use discretionary accruals to manage their surplus or deficit. They use linear regression to analyze the financial data of a broad sample of Canadian charitable organizations and find that discretionary accruals were used to man-

nouveaux logements à loyer modique dans trois régions du Canada. Les auteurs remarquent que plusieurs défis furent rapportés, y compris certains reliés à l'administration et à la conception de programmes de subvention, tels qu'un manque de flexibilité offerte aux participants. En bref, les résultats montrent que, malgré d'importants investissements faits récemment pour créer des logements à prix modique, le secteur à but non lucratif se confronte à maints obstacles pour accéder à ces fonds, et qu'il faudrait effectuer des changements importants afin que les organismes de logement puissent fournir des unités locatives à ceux et celles qui en ont le plus besoin.

Il s'ensuit un article de Yann Fournis, « Le mouvement communautaire québécois : plus on est de flou … », qui offre une analyse en profondeur de la littérature sur le mouvement communautaire québécois (MCQ). L'auteur y effectue une lecture en deux temps. Premièrement, il examine la littérature dans le but de décrire ce qu'est un mouvement communautaire. Deuxièmement, il évalue l'objectif du MCQ tel que présenté dans la littérature pour mettre en évidence la pluralité dont il traite. Ensuite, en adoptant une perspective critique, l'auteur montre l'écart qui existe entre les approches pratiques et théoriques envers le MCQ ainsi que l'isolement intellectuel de l'étude de ce sujet. En offrant une réflexion théorique sur un domaine appliqué, l'auteur apporte donc à notre avis une contribution intéressante à un champ d'étude négligé.

Le dernier article de recherche dans ce numéro s'intitule "Earnings Management in the Charitable Sector: A Canadian Study" (« La gestion des résultats dans le secteur caritatif : une étude canadienne »), de Dominic Cyr, Suzanne Landry, et Anne Fortin. Dans cet article, les auteurs cherchent à comprendre jusqu'à quel point les œuvres de bienfaisance recourent à des ajustements discrétionnaires pour gérer leurs surplus et déficits. Pour ce faire, les auteurs utilisent la

age these income figures. The results hold whether the charity anticipates a surplus or a deficit, but not if it displays a high level of public benefit. In that case, charities with an anticipated surplus increase their use of discretionary accruals to decrease earnings, whereas charities that anticipate a deficit are not inclined to manage their deficit toward zero. This study complements prior literature on nonprofits and shows that even though tax laws differ among countries, charity managers in various contexts are motivated to manage earnings and are influenced by various factors in doing so.

In "Perspectives for the Field," we selected four pieces on the issue of finance. State and external funding can have a significant impact on nonprofit and social economy organizations, as these organizations often rely on these sources to carry out their activities. In particular, state funding can contribute to ensuring some financial stability for these organizations by providing them with grants or through public-private partnerships. However, dependence on public funding can also make organizations vulnerable to changes in government priorities, as part of a general trend that has been going on for several decades of states shedding responsibility. As Benoît Lévesque reminds us: "The question of the 'basic function and new role of public powers' is still relevant. Neoliberalism has undoubtedly fulfilled a specific historical function: to question the paradigm of the state that prevailed until then, but it has not succeeded in providing a new paradigm whose

régression linéaire afin d'analyser les données financières d'un vaste échantillon d'œuvres de bienfaisance canadiennes. Par cette approche, ils découvrent que celles-ci font effectivement des ajustements discrétionnaires pour gérer leurs finances. Que l'œuvre de bienfaisance s'attende à un surplus ou à un déficit, les résultats sont les mêmes; en revanche, les résultats sont différents si l'œuvre de bienfaisance offre un haut niveau de biens publics. Dans ce dernier cas, les œuvres qui s'attendent à un surplus augmentent leur recours à des ajustements discrétionnaires pour diminuer leurs revenus, tandis que celles qui s'attendent à un déficit ne se sentent pas motivés à réduire leur déficit à zéro. Cette étude vient compléter des recherches antérieures sur les OSBL en montrant que, même si les lois sur les impôts diffèrent d'un pays à l'autre, les responsables d'œuvres de bienfaisance dans divers contextes tiennent à gérer leurs revenus par eux-mêmes même si, en le faisant, ils doivent subir diverses influences.

Pour « Perspectives pour le terrain », nous avons choisi quatre textes sur les enjeux financiers. Le financement par l'État et par des sources externes peut avoir un impact important sur les organismes sans but lucratif et de l'économie sociale, car ceux-ci dépendent souvent de ce soutien pour mener à bien leurs activités. En particulier, le financement par l'État, que ce soit par des subventions ou des partenariats public-privé, peut contribuer à assurer une certaine stabilité financière à ces organismes. Cependant, les organismes qui dépendent du financement public sont vulnérables si le gouvernement change de priorités, parfois en conséquence de cette tendance générale où, depuis plusieurs décennies, les États se retirent de plus en plus de leurs engagements. Benoît Lévesque nous le rappelle : « La question de la "fonction de base et du nouveau rôle des pouvoirs publics" est toujours d'actualité. Le néolibéralisme a, sans doute, réalisé une fonction historique bien précise : celle de remettre en question le paradigme de l'État qui

legitimacy would be widely, even almost naturally, imposed" (Lévesque, 2003, p. 490, our translation). In a broader perspective, ongoing transformations are certainly not only associated with problems and difficulties. The restructuring of the state's role and the emergence of other actors (such as philanthropic foundations) already present and embedded in society, also bring positive effects and opportunities for favourable social innovation. The short papers we selected for this section respond in different ways and through different cases to some of these issues.

Kathleen Thompson, Walter Wai Tak Chan and Ellen Cohen discuss the implications of funding changes over the past twenty years to nonprofit consumer disability organizations in "How Funding Mix Changes Impacted the National Mental Health Inclusion Network (NMHIN)." As co-directors and executive director of NMHIN, the authors discuss the implications for their organization of neoliberal assumptions about funding arrangements. In addition to dealing with reduced funding and more competition for grants, they find that it is increasingly difficult to engage in policy development with government officials as disability organizations are now seen as recipients of funding rather than initiators of policy ideas.

Through a case study on the non-profit organization Déclic, which specializes in supporting young adults on their return to school in their article "Les effets du financement par projet

avait cours jusqu'alors, mais il n'a pas réussi à fournir un nouveau paradigme dont la légitimité se serait imposée largement, voire quasi naturellement » (Lévesque, 2003, p. 490). Remarquons que, dans une perspective plus large, les transformations actuelles ne sont pas seulement associées à des problèmes et des difficultés. En effet, la restructuration du rôle de l'État et l'émergence d'autres acteurs déjà établis dans la société (tels que les fondations philanthropiques) peuvent créer des occasions et des effets positifs favorisant l'innovation sociale. Les brefs articles que nous avons sélectionnés pour cette section traitent de ces questions de diverses manières en se focalisant sur des cas différents.

Dans "How Funding Mix Changes Impacted the National Mental Health Inclusion Network (NMHIN)" (« Comment des changements dans les modes de financement ont influencé le National Mental Health Inclusion Network [NMHIN] »), Kathleen Thompson, Walter Wai Tak Chan et Ellen Cohen discutent des implications de vingt ans de changements au financement d'OSBL pour les consommateurs avec des handicaps. Les auteurs, à titre de coadministrateurs et directeur général de NMHIN, discutent des implications pour leur organisation de partis pris néolibéraux envers les arrangements financiers. En plus de devoir s'accommoder d'un financement réduit et d'une compétition accrue pour les subventions, ils trouvent qu'il est de plus en plus difficile de discuter du développement de politiques avec des représentants gouvernementaux du fait que ceux-ci perçoivent les organismes représentant les personnes handicapées comme étant des bénéficiaires de financement plutôt que des participants à part entière dans la formulation de politiques.

Au moyen d'une étude de cas de l'OSBL Déclic, dont l'objectif est d'aider les jeunes adultes à retourner aux études, Marjorie Vidal et Marianne St-Onge, dans leur article « Les effets du financement

sur les organismes à but non lucratif : étude de cas de Déclic" Marjorie Vidal and Marianne St-Onge explore the growing impact of project-based funding. In particular, this contribution examines the causes of this change and its effects on the organization's activities. It also analyzes the impact of project-based funding on Déclic's practices in terms of finding projects and financial partners, and discusses the benefits and challenges generated by this type of funding.

Leslie Huckfield in "The Neoliberalization of the Third Sector is Almost Complete," provides a historical look at the social investment of social enterprises and cooperatives, and the influence of government in the United Kingdom. From substantial government support to the sector in the 1970s and 1980s, policy shifts under New Labour governments have resulted in a greater influence of external actors and diminished local accountability. Huckfield finds that these policy changes are influencing other economies and highlights the case of Greece.

In her article, "Le soutien de la philanthropie dans l'aide à domicile et à la proche aidance au Québec : quelle évolution?", Lucie Dumais deals with the emergence of philanthropic foundations and their influence on the reality of nonprofit and community-based organizations. Focusing on the homecare sector Dumais interrogates the evolution of the relations between philanthropy and nonprofits, the role of the State and the population's needs (seniors and their caregivers) over the past twenty-plus years, and the impact of the COVID pandemic on their more recent activities and planning. Through empirical ev-

par projet sur les organismes à but non lucratif : étude de cas de Déclic », explorent l'impact croissant du financement par projet. En particulier, elles examinent les causes de cette croissance et ses effets sur les activités de Déclic. Elles analysent aussi l'impact du financement par projet sur les efforts faits par Déclic pour trouver des projets et des partenaires financiers, et discutent des bénéfices et défis résultant de ce type de financement.

Dans "The Neoliberalization of the Third Sector Is Almost Complete" (« La néolibéralisation du troisième secteur est presque complète »), Leslie Huckfield offre une perspective historique sur l'investissement social des entreprises et coopératives sociales ainsi que sur l'influence du gouvernement du Royaume-Uni sur celui-ci. Ainsi, à partir d'un appui important du secteur par le gouvernement dans les années 1970 et 1980, des changements de politiques ultérieurs sous les gouvernements du New Labour ont mené à une plus grande influence de la part d'acteurs externes et à une moindre responsabilisation locale. Huckfield montre d'autre part que ces changements de politiques ont exercé une influence sur d'autres économies et, à ce titre, il souligne le cas de la Grèce.

Dans son article « Le soutien de la philanthropie dans l'aide à domicile et à la proche aidance au Québec : quelle évolution? », Lucie Dumais s'adresse à l'émergence de fondations philanthropiques et leur influence sur la réalité des OSBL et des organismes communautaires. En se concentrant sur le secteur des soins à domicile, Dumais explore l'évolution des rapports entre la philanthropie et les OSBL, le rôle de l'État et les besoins de la population (c'est-à-dire les aînés et leurs proches aidants) depuis plus de vingt ans, et l'impact de la pandémie de COVID-19 sur les plus récents projets et activités du secteur des soins à domicile. Au moyen de données empi-

idence she shows that the homecare sector has developed significantly but remains poorly financed compared to other social-service sectors. In our opinion (as editors) this situation underlines the limits of the homecare turn that most governments have put forward in Québec in the last 20 years, in particular since the 2003 policy "Chez soi le premier choix", ("At home: The first choice") (https://publications.msss.gouv.qc.ca/msss/fichiers/2002/02-704-01.pdf).

Two book reviews complete this edition of *CJNSER*. James Patriquin reviews *Community Economies in the Global South: Case Studies of Rotating Savings and Credit Associations and Economic Cooperation* edited by Caroline Shenaz Hossein and Christabell P. J. and published by Oxford University Press. Luc Thériault reviews *Selling Social: Procurement, Purchasing, and Social Enterprises* edited by Jennifer Summer, Andrea Chan, Annie Luk, & Jack Quarter and published by University of Toronto Press.

We hope you enjoy this issue. Please share the issue and articles through your social media to help us with our goal of increasing viewership and citations. We also welcome your submissions!

riques, elle montre que ce secteur s'est développé de manière importante, mais il reste mal financé relatif à des secteurs similaires fournissant des services sociaux. À notre avis en tant que rédacteurs, cette situation souligne les limites des progrès en soins à domicile tels qu'encouragés depuis vingt ans par la plupart des gouvernements au Québec, à partir notamment de la sortie en 2003 du rapport intitulé « Chez soi : le premier choix » (https://publications.msss.gouv.qc.ca/msss/fichiers/2002/02-704-01.pdf).

Deux critiques de livres viennent compléter ce numéro de ReCROES. James Patriquin passe en revue *Community Economies in the Global South: Case Studies of Rotating Savings, Credit Associations, and Economic Cooperation* dirigé by Caroline Shenaz Hossein et Christabell P. J. et publié par Oxford University Press. Luc Thériault quant à lui passe en revue *Selling Social: Procurement, Purchasing, and Social Enterprises* dirigé par Jennifer Sumner, Andrea Chan, Annie Luk, et Jack Quarter et publié par University of Toronto Press.

Nous espérons que vous aimerez bien ce numéro. Veuillez le partager ainsi que les articles qui s'y trouvent sur vos réseaux sociaux afin de nous aider à réaliser notre objectif d'augmenter notre lectorat et le niveau de nos citations. Nous aimerions aussi recevoir vos contributions!

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Do Service-Providing Nonprofits Contribute to Democratic Inclusion? Analyzing Democracy Promotion by Canadian Homeless Shelters

Kristen Pue & Anna Kopec, Carleton University

ABSTRACT

Nonprofits are key social service providers in many Western welfare states. Yet the nonprofits that deliver government-funded public services are also an important part of civil society and, in theory, promote democratic inclusion through their democratic civil society function. But to what extent do welfare-providing nonprofits carry out democracy-promoting activities in reality and what do these activities include? Using a survey distributed to Canadian charities that operate government-funded homeless shelters, we find evidence of activities falling within three areas of democracy promotion: support for political participation, internal democratic governance, and representative voice. The variation amongst different activities is presented in ideal types, which can inform future studies of the democratic function of nonprofits. Our empirical results point to a vital role of homeless shelters that extends beyond the provision of basic needs and contribute to a better understanding of the modalities of democratic inclusion for excluded populations.

RÉSUMÉ

Dans plusieurs États-providences occidentaux, les organismes sans but lucratif jouent un rôle clé dans la fourniture de services sociaux. En même temps, les OSBL qui offrent des services publics financés par le gouvernement font partie intégrante de la société civile et, en théorie, ils promeuvent l'inclusion démocratique par leurs contributions à la société civile démocratique. Mais dans quelle mesure les OSBL axés sur le bien-être effectuent-ils réellement des activités qui appuient la démocratie et quelles seraient ces activités? Grâce à un sondage distribué à des organismes de bienfaisance canadiens qui gèrent des refuges pour sans-abris financés par le gouvernement, nous avons identifié des activités correspondant à trois types de promotion de la démocratie : l'appui pour l'engagement politique, la gouvernance interne démocratique, et le respect pour la parole représentative. Nous présentons les variations entre ces diverses activités sous forme d'idéal-types qui pourraient inspirer de futures études sur la fonction démocratique des OSBL. Nos résultats empiriques suggèrent que les refuges pour sans-abris ont un rôle essentiel à jouer au-delà de la simple satisfaction de besoins fondamentaux. Nos résultats peuvent contribuer en outre à une meilleure compréhension des modalités de l'inclusion démocratique pour les populations exclues.

Keywords / Mots clés : homelessness, shelters, inclusion, democracy promotion, poverty / itinérance, refuges, inclusion, promotion de la démocratie, pauvreté

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INTRODUCTION

Democracies rely on participation, and egalitarian democracy requires equal rights to participate (Teorell, Sum, & Tobiasen, 2006). But we know that participation in democratic processes is highly skewed toward affluent, white, and well-connected individuals (Bartels, 2016). Marginalized populations vote in lower numbers, have less contact with their democratic representatives, and do not have the means to form interest organizations to lobby for their policy preferences (Schlozman, Verba, & Brady, 2012; Warren, 2002). As a result of the political exclusion of marginalized populations, the views of these communities are underrepresented in policy outcomes (Rigby & Wright, 2013).

This democratic gap is a result of systemic barriers and exclusion that marginalized populations face. For many marginalized groups, welfare-providing nonprofits that deliver government-funded public services may be the main sites through which individuals access the state. And, in fact, this is one of the normative justifications for organizing welfare service provision through nonprofits, rather than direct government delivery. In normative civil society theory, nonprofits are seen as democracy promoting organizations that connect individuals to what might otherwise be quite distant processes (van Deth, 1997). It is imagined that welfare-providing nonprofits also serve as representatives for the interests—and conduits for the voices—of marginalized service users (Guo & Saxton, 2010). In this narrative we see welfare-providing nonprofits not only as public service providers, but also as forces for egalitarian democracy. Yet, we know very little about whether welfare-providing nonprofits fulfill this function in reality. This article asks: to what extent do welfare-providing nonprofits carry out democracy promoting activities? Which activities do they utilize and how do organizations vary in their fulfillment of this role? The authors explore these questions in the case of Canadian homelessness, focusing on emergency sheltering.

This analysis finds evidence of democracy promotion. A survey distributed to Canadian charities that operate government-funded homeless shelters uncovered that most participants report carrying out democracy promotion activities in three categories: support for political participation, internal democratic governance, and representative voice. In the context of this article, s*upport for political participation* means activities to facilitate, inform, and encourage service users to engage in voting processes. *Internal democratic governance* refers to efforts to involve service users in the organization's activities and service provision. *Representative voice* refers to advocacy behaviours that support and amplify the voice of constituents, namely, the individuals who receive services.

Canadian homeless shelters commonly participate in democracy promotion, although there is variation in the prevalence of different activities. Survey responses are used to score organizations on each of the democracy promotion categories and overall. These scores are then used to present five ideal type configurations revealing how nonprofits can specialize as, say, campaigners who focus on representative voice or people-centred providers that emphasize inward-looking democratic governance. Using organizational characteristics drawn from respondents approximating each ideal type, this article presents hypotheses about what might drive these different patterns in democracy promotion activity, and implications for the inclusion of individuals experiencing homelessness.

These empirical results point to a vital role of homeless shelters that extends beyond the provision of basic needs. Welfare-providing nonprofits can and do play a role in promoting democratic rights. Few studies have considered the role of homeless shelters in the political system, and these findings

point to the need for future research on their impact on the political engagement of people experiencing homelessness. Understanding how shelters may be encouraging political agency speaks to mobilization efforts that can lead to changes in homelessness policies.

We begin by situating the study within the civil society literature. The functions of nonprofits extend beyond the provision of services to also include community, pluralistic, and democratic functions. We pay particular attention to the democratic function. We then introduce three categories of democracy promotion activities and apply that framework using survey data from Canadian homeless shelter nonprofit organizations (HSNPOs). Following the analysis of democracy promoting activities, this article offers qualitative ideal types that consider the variation in democracy promotion among HSNPOs. Following the survey findings is a discussion on how HSNPOs can influence the political engagement of individuals experiencing homelessness and the value associated.

THEORY

Nonprofit welfare and its political consequences

Nonprofit welfare, the delivery of public services by government-funded nonprofit organizations, is becoming an increasingly common welfare state arrangement around the world (Salamon, 2015; Cordelli, 2020; Ranci, 2015; Lundberg, 2020; Pue, 2021), spurred by new public management thinking from the 1980s and 1990s (Smith & Lipsky, 1993). Although this shift was most dramatic in the United States and United Kingdom, researchers have identified new public management thinking at work in Canadian nonprofit welfare (Evans & Shields, 2018; Shields & Evans, 1998; Joy & Shields, 2020). A sizable body of work has emerged on the causes and consequences of nonprofit public service contracting (Arvidson, Johansson, & Scaramuzzino, 2018; Bailey, 2021; Fehsenfeld & Levinson, 2019).

Research on nonprofit welfare has primarily focused on the political consequences as directly connected to service provision, for instance, how nonprofit welfare impacts service quality, access to care, accountability, and the long-run impact on service expansiveness (Smith & Lipsky, 1993; Amirkhanyan, 2008; Cordelli, 2012; Cammett & MacLean, 2014; Marwell & Calabrese, 2015; Pue, 2021). But the nonprofits that deliver public services are also an important part of civil society, and it is important to understand this aspect of their identity. According to normative political theory on civil society, there are at least four functions that nonprofit associations are posited as fulfilling: the service, community, pluralism, and democratic functions.[1] First, nonprofits *provide social goods*, whether these are governmental or private/philanthropic. Second, nonprofit associations fulfill psychological and cultural needs through their *community* function. Third, nonprofit associations are *pluralistic* organizations—associations, ideally, introduce a diversity of viewpoints that compete for legitimacy in the public discourse (Habermas, 1993; Chambers & Kopstein, 2006). Finally, nonprofits help to support the healthy functioning of democracy through their *democratic* function.

Together, these four functions serve as the normative justification for the sector's importance. While not every nonprofit organization undertakes all four of these functions, many are engaged in multiple functions at different times. It is important to understand whether welfare-providing nonprofits also serve as sites of democratic inclusion, and therefore how they contribute to an egalitarian participatory democracy.

The democratic function of civil society

A strong and independent civil society is often considered essential for a robust democracy. Associations are seen as playing a role in dispersing power, and thereby acting as a check on the state (Chambers & Kopstein, 2006). Associations serve as "effective vehicles for the representation and formulation of the interests of citizens" (Wright, 1995, p. 2). They allow for cooperation, engagement with different environments, as well as the development of skills that can stimulate participation (van Deth, 1997; Lundberg, 2022).

Associations also augment participation in political processes, especially amongst those most likely to be excluded (Cohen & Rogers, 1994; Hirst, 1994).[2] Nonprofit associations facilitate participation in democratic processes by developing individual as well as political autonomy (Warren, 2001). They also develop feelings of citizen efficacy, collect, organize, and convey information, and inculcate political skills (Warren, 2001). Finally, they act as schools of democracy through collective decision-making practices (King & Griffin, 2019; Lee, 2022).

Conceptualizing the democratic function: Support for political participation, internal democratic governance, and representative voice

The following is a framework for operationalizing the democratic civil society function. This framework helps bridge political theory on the purpose of civil society together with empirical work, which tends to focus on specific nonprofit behaviours such as advocacy and inclusive board governance (Pilon & Brouard, 2022; Guo & Saxton, 2010; Glasius & Ishkanian, 2015). By connecting disparate activities to their core function as democracy-supporting, the authors shed new light on the role of service-providing nonprofits in ensuring that democratic values are extended to vulnerable groups. This data also point to the different ways nonprofits can choose to specialize in democracy promotion, as well as possible connections to organizational characteristics. Extant research focuses primarily on one way that nonprofits contribute to democratic society, through advocacy (Arvidson et al., 2018; Guo & Saxton, 2010). By viewing democracy promotion holistically, this article considers the greater potential of service provider nonprofits as democracy promoters. The authors argue that the democratic function consists of at least three sets of activities: support for political participation, internal democratic governance, and representative voice.

Support for Political Participation

First, welfare-providing nonprofits potentially fulfil a democratic function when they act to increase political participation. This is the most direct form of democracy promotion, and yet there are few studies examining activities that fall under this category for service provider nonprofits (Marwell, 2004), aside from studies linking volunteerism with political engagement (Jeong, 2013; Lee, 2022). Support for political participation means activities to facilitate, inform, and encourage service users to vote. As organizations that can reach marginalized people, nonprofits are perhaps best placed to facilitate, inform, and encourage voting amongst service users. They can provide necessary resources to vote, share information on the process of voting, and address barriers—such as the need for documentation—to voting. This is especially important for marginalized individuals that experience barriers to participation, such as those lacking a permanent address (Mundell, 2003; Lynch, 2002; Lynch & Cole, 2003). Without a permanent address in Canada, voting is a unique process and nonprofits can help inform service users they have the right to vote (Kopec, 2017).

Internal Democratic Governance

Second, nonprofits potentially fulfill the democratic function by governing themselves democratically. Participatory and deliberative models of decision-making expand the venues of democracy beyond the state and instill values of individual empowerment and civic mindedness (Pateman, 1970; Warren, 2003). Internal democratic governance refers to efforts to involve service users in the organization's activities. In contexts where an organization serves marginalized communities, internal democratic governance should ideally be participatory to ensure decisions are made with, rather than for, communities (Buss, Redburn, & Guo, 2006; Levac & Wiebe, 2020). The extent to which nonprofits govern themselves accountably or inclusively is a common theme in extant research (Williams & Taylor, 2013; Williamson, Kingston, & Bennison, 2021; Pilon & Brouard, 2022), but research tends not to connect these questions to other democracy promoting activities like advocacy, except as an explanatory variable (Guo & Saxton, 2010; Guo, 2007; Mosley, 2010; Lu, 2018).

Forms of participation in internal democratic governance can include committees, consultations, and panels, among others (Tempfer & Nowak, 2011). These forms offer a wide range of benefits for organizations and consumers and are found to empower and benefit service users (Phillips & Kuyini, 2017). Including peer workers in actual service provision is another internal governance structure that can be classified as promoting democracy. It offers opportunities of socialization amongst peers and introduces individuals with lived experience into the service delivery system, which in turn can increase individual agency whilst also improving services and outcomes (Tracy & Wallace, 2016; Solomon, 2004).

Representative Voice

Third, nonprofits potentially serve a democratic function when they participate in political processes as representatives. Representative voice refers to advocacy behaviours that support and amplify the voice of constituents, namely, service users.[3] As organizations with privileged access to the state, welfare-providing nonprofits have opportunities to articulate the underrepresented interests of marginalized communities (Guo & Saxton, 2010).

There is, of course, a wide-ranging literature on nonprofit advocacy. While this literature largely does not focus on government contracted welfare-providing nonprofits, there are studies that address advocacy by nonprofit service providers in public service areas (Mosley & Jarpe, 2019). Advocacy is "the attempt to influence public policy, either directly or indirectly" (Pekkanen & Smith, 2014, p. 3). There are, broadly, three different objectives of nonprofit advocacy: case, policy, and self-interest organizational (Litzelfelner & Petr, 1997; Donaldson, 2008; Almog-Bar & Schmid, 2014). Case advocacy seeks to influence outcomes for a particular individual, usually a service user. Policy advocacy attempts to influence institutions that impact the broader public or groups within the broader public. Both case and policy advocacy objectives constitute representative voice, whereas self-interest organizational advocacy, which attempts to influence policies as they affect the nonprofit itself (Lu, 2015), does not. Nonprofits can exercise representative voice through case and policy advocacy when they articulate the interests of service user constituencies.

An even more democratic form of representative voice is advocacy that includes service users and others with lived experience in conversations with government. Direct citizen participation in policy processes leads to more responsive, accountable, and effective public agencies (Fung, 2004). It can

also enhance trust and legitimacy in government, protect rights, and encourage political stability (McIntyre-Mills, 2010; Verba, Schlozman, & Brady, 1995). Such forms of advocacy might include informing service users about consultations, inviting people with lived experience to meetings with government officials, and other opportunities such as public forums and consultations.

Nonprofits, as service providers but also in their democratic functions, interact with the state and can become vehicles for democracy. They can include the voices of their service users through representative advocacy and through the direct inclusion of service users into political and policymaking processes.

Democracy promotion and homeless shelters

Homeless shelters provide services. But HSNPOs are also part of civil society, and potentially fulfill a democratic function. As organizations that serve some of society's most socially, politically, and economically marginalized people, HSNPOs have the potential to act as important sites of political inclusion. Democratic participation is a key element of combating exclusion and marginalization (Young, 1990). As such, investigating the extent to which these organizations undertake democracy promotion activities can help us understand opportunities for enhancing democratic fairness and accountability.

Homeless shelters, also called emergency or overnight shelters, are temporary residences. They range from dorm room style accommodations to single bed spaces in congregate settings and can be permanent establishments or seasonal "inn from the cold" programs that operate in winter months. The scope of many Canadian shelters has grown from providing meals and a place of sleep to also providing social supports and resources such as employment, life-skills development, and physical and mental health care (Dej, 2020).

Homeless shelters are particularly interesting venues of within-association democracy (Warren, 2003) because of their complex cross-class dynamics. They serve as potential sites of "poverty politics" (Lawson & Elwood, 2014, p. 210). On the other hand, shelters are places that isolate and contain homelessness, which some argue limits their potential as spaces for political inclusion (Feldman, 2004). While acknowledging the validity of Feldman's (2004) argument, the authors posit that to the extent that HSNPOs facilitate democratic participation, one might expect these political dynamics to be more inclusive. If shelters provide basic needs while also encouraging political participation, including individuals in internal governance structures and advancing the interests of people experiencing homelessness in political institutions, that could be a powerful form of inclusion indeed. The consideration of the democracy promoting role of HSNPOs can inform the forums and processes that can change or maintain exclusion and poverty (Webster & Engberg-Pedersen, 2002). Democracy promoting activities can fight exclusion and lead to not only more effective service provision but also policy change.

A starting point, then, is to understand whether homeless shelters engage in democracy promotion activities in any of the three categories: supporting political participation, internal democratic governance, and representative voice.

METHODS

Canadian homelessness is the ideal case for exploring nonprofit democracy promotion. First, un-

housed people are among the most marginalized groups in society. In Canada, approximately 35,000 people experience homelessness on any given night (Gaetz, Dej, Richter, & Redman, 2016). Unhoused people face immense difficulties in accessing democratic processes. Politicians and candidates rarely frequent shelters and drop-in centres during elections, and lack of information and social exclusion often keep individuals from accessing other events or opportunities in the community (Gaetz, 2004; Kopec, 2017).

Second, Canadian homelessness policy is highly nonprofitized, meaning that services are primarily delivered through welfare-providing nonprofits. For example, nonprofits operate 94 percent of homeless shelters in Canada (Pue, 2021). Nonprofits deliver most public services targeted at addressing homelessness and, through the federal Reaching Home system, are also involved in systems planning and service evaluation (Smith, 2016). Moreover, unlike many cases of public service contracting, there is very little involvement of for-profit businesses in delivering Canadian homelessness services. This allows us to understand the role of welfare-providing nonprofits without market pressures for these organizations to behave like businesses (Eikenberry & Kluver, 2004). If the expectations of normative civil society theory are upheld by welfare-providing nonprofits in any setting, therefore, we would expect to observe it in this case. Homelessness is an extreme case of exclusion, making the democratic function of services not only vital to unhoused people's connection with the state, but also their inclusion into social, economic, and political aspects of society.

A sample from the population of Canadian registered charities that operate a homeless shelter were surveyed. Like the United Kingdom, charities are a regulated category in Canada, and must meet a set of criteria such as being nonprofit-distributing and meeting a recognized charitable objective.

Sampling procedure

The survey samples the population of 392 registered charitable organizations that operate at least one homeless shelter listed in the National Service Providers List (NSPL) in 2017. The NSPL is a dataset managed by the federal government. Because the NSPL identifies individual shelters as observations, rather than organizations, the researchers matched shelters to the organizations that administer them, resulting in a dataset of 392 registered charities. Limiting the sample to registered charities—rather than all shelter-administering nonprofits—excluded a very small number of nonprofits (12) and allowed the researchers to draw on charity data in, for example, assessing the representativeness of the sample. A detailed explanation of the procedure used in converting the NSPL to the list of homeless shelter nonprofits is described in Appendix A.

Because there is a relatively small number of charities that operate homeless shelters in Canada, a comprehensive approach to sampling was taken. Utilizing publicly available web sources, email contact information was found for 375 of the 392 organizations. The virtual survey was distributed to all 375 organizations on September 21 and 22, 2020. Thus, 96 percent of the survey frame had an opportunity to participate in the research. Participants received a reminder email, and one further reminder was sent to those who had started the survey but not completed it. To facilitate participation, the survey, as well as recruitment and follow-up emails, were available in English and French.

Data collection

The survey included fourteen questions pertaining to the perceptions about and behaviour of HSNPOs on democracy promotion. We asked about the three types of democratic participation activities. The median participant took nine minutes to complete the questionnaire. The full text of the survey questionnaire is available in Appendix B.

A total of 55 respondents completed the survey—a response rate of 15 percent.[4] While low, this response rate is to be expected given the method of distributing the surveys via email (Fowler, 2014) and given that data collection occurred during the COVID-19 pandemic's second wave—a time when homeless shelters were extremely busy in Canada adapting the modalities of service delivery while also confronting increased service demand and staff shortages. Respondents are relatively well distributed geographically as seen in Table 1, although the western Canadian provinces of Alberta, British Columbia, Manitoba, and Saskatchewan are underrepresented. The survey is also representative in terms of organization size.[5]

Table 1. Regional distribution of homeless shelter nonprofits

	Western Canada	Ontario	Quebec	Atlantic Canada	Territories
HSNPO Respondents	10 (18%)	20 (36%)	15 (27%)	8 (15%)	2 (4%)
HSNPO Population	134 (34%)	111 (28%)	117 (30%)	25 (6%)	6 (2%)

Of course, the small sample size is a limitation of the study and prevents the authors from offering statistical analysis of the relationship between survey responses, or between survey responses and organizational characteristics. Another limitation of the study is the potential for survey bias; this study likely over reports democracy promotion activities, as more active nonprofits are more likely to have opted to respond to the survey. Nevertheless, the responses are helpful in showing the relative prevalence of different democracy promotion activities, as well as their different configurations within organizations.

Democracy promotion index

The survey results were used to develop a "democracy promotion index" to understand how active HSNPOs are overall and within each of the three categories. For each of the three categories—political participation, internal democratic governance, and representative voice—HSNPOs were assigned a score based on the proportion of activities they reported undertaking, with each activity being given equal weighting. An overall score was determined by adding the scores in each category and presenting as a proportion of the maximum possible score. These are, of course, imperfect measures. For instance, some activities may be considerably lower effort than others and one could critique the method of simply counting activities. However, the democracy promotion scores are a useful heuristic for understanding which HSNPOs are most active and whether HSNPOs tend to specialize in one category, as compared with being evenly involved across all three democracy promotion categories.

To make best use of the data given the small sample size of this study, a qualitative case approach was used to develop ideal type democracy promotion profiles, including organizational character-

istics for each of the ideal types. To preserve the confidentiality of respondents, organizational characteristics are composites derived from the cases associated with each ideal type. Presenting ideal types using organizational composites can assist in hypothesis generation by identifying organizational characteristics that are shared across an ideal type category, which is valuable for making best use of survey research where the sample size limits the potential for regression analysis. Of course, ideal types developed from medium-*n* composite analysis are limited in that they can neither match the richness of small-*n* qualitative case comparison nor validate or invalidate hypotheses as is possible in large-*n* regression analysis. As such, this approach is best suited to hypothesis generation rather than hypothesis testing.

The ideal types were identified by examining HSNPOs with particularly high and low scores across the democracy promotion index overall, as well as within each category. In this process, small groupings of HSNPOs (between three and 10) were identified, based on these organizations' similarity with respect to their index scores relative to the average HSNPO. Once ideal type groupings were identified, organizational composites were constructed using a combination of Canada Revenue Agency charity disclosure data, the organizations' web presences, and survey responses. The findings reported below identify shared organizational characteristics for HSNPOs in each of the ideal type groupings, which directs researchers to potentially interesting variables for future research.

FINDINGS

The survey results provide evidence of activities falling within three areas of democracy promotion: support for political participation, internal democratic governance, and representative voice. The overall mean and median democracy promotion index score was 0.5 out of 1.0, meaning that HSNPOs reported engaging in about half of the activities presented in the questionnaire, across all three categories. Of the three democracy promotion categories, participants were most active in representative voice and least active in activities to support internal democracy, with median scores of 0.67 and 0.38, respectively.

Support for political participation

A majority of HSNPOs engage in four activities that support political participation (i.e., voting): assisting with voter registration, publicizing election information, encouraging service users to vote, and informing service users about how and when to vote. The results show that HSNPOs do commonly act to encourage service users to vote, especially through supporting the modalities of voting. The median HSNPO reported carrying out fewer than half of the political participation activities included in the questionnaire, resulting in a median index score of 0.44 for this category, as seen in Table 2.

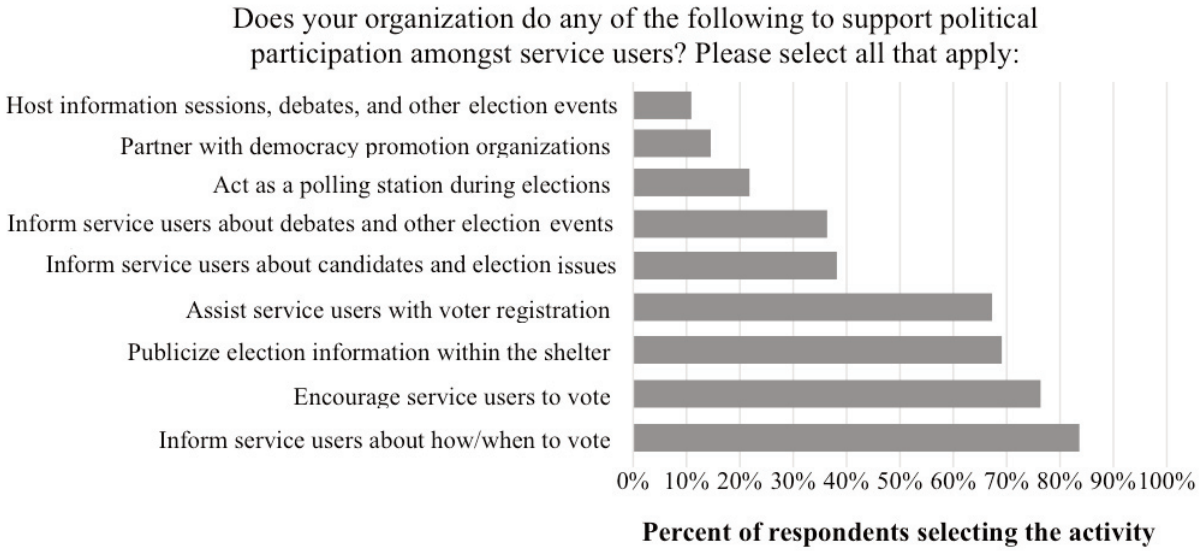
Table 2. Democracy promotion index: Mean and median scores

	Representative voice	Political participation	Internal democracy	Overall score
Mean	0.59	0.46	0.45	0.50
Median	0.67	0.44	0.38	0.50
Standard Deviation	0.23	0.24	0.26	0.19

The political participation activities that most respondents report undertaking focus primarily on informing service users about voting (e.g., informing service users about how and when to vote, as-

sisting service users with voter registration). As depicted in Figure 1, HSNPOs were less frequently active in informing service users about their electoral choices (e.g., informing service users about candidates and election issues). Only a handful of HSNPOs took on what could be considered the highest effort political promotion activities, that is, acting as a polling station during elections, partnering with democracy promotion organizations, and holding information sessions, debates, or other election events.

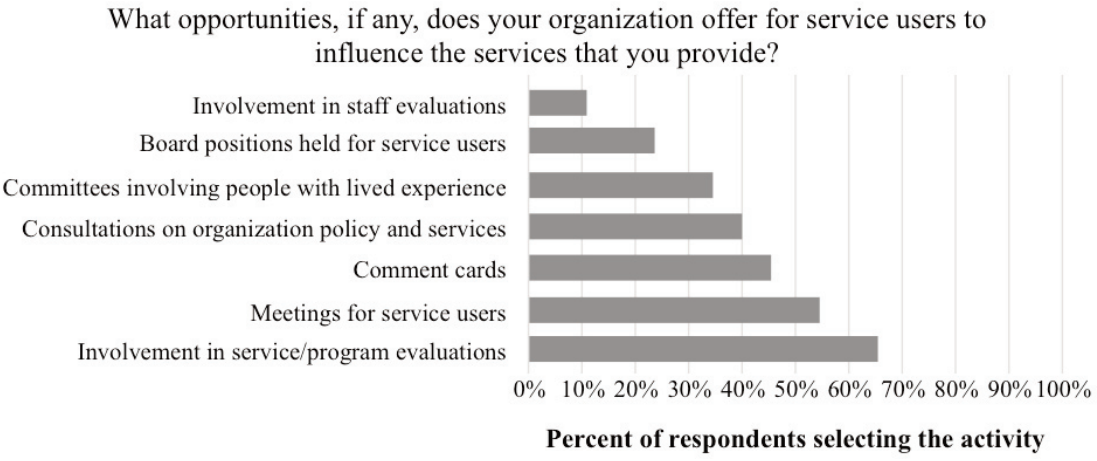
Figure 1. Political participation activities



Internal democratic governance

Participants in this study were least active in internal democratic governance, with a median index score of just 0.38 for this category. This low score reflects the fact that service users have only modest opportunities to influence organizational policies of the HSNPOs surveyed, typically through service or program evaluations and meetings. In addition to the activities reported in the Figure 2, just over a third of HSNPOs reported employing peer support workers, meaning people employed to provide support and who share a lived experience with those they are supporting (e.g., of homelessness).

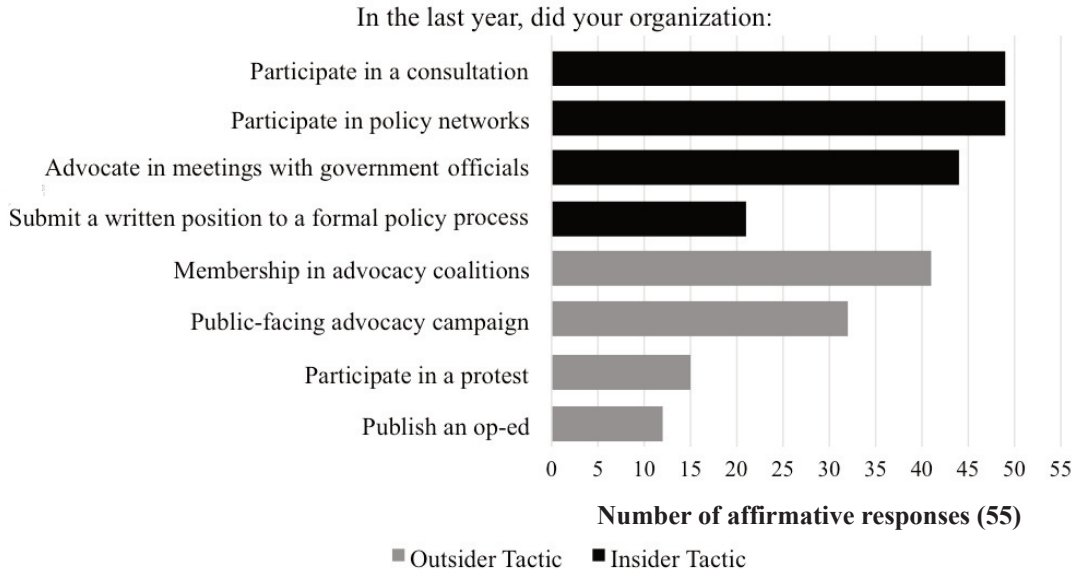
Figure 2. Service user influence



Representative voice

Of the three democracy promotion categories, HSNPOs reported being most active in representative voice (with a median index score of 0.67 out of 1.0). Figure 3 shows the frequency of affirmative responses to a question asking whether the organization had undertaken listed advocacy tactics in the last year. Consistent with the literature on service providing nonprofits (Verschuere & de Corte, 2015), the HSNPOs in this study most frequently reported undertaking insider advocacy tactics rather than outsider advocacy tactics that address the public.

Figure 3. Involvement in advocacy tactics, insider and outsider

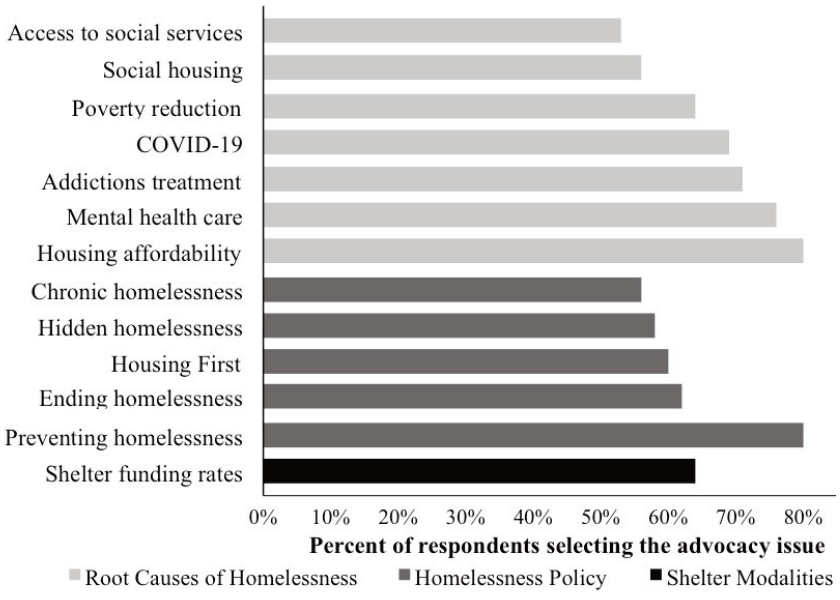


In addition, a different question revealed that 53 percent of HSNPOs reported involving people with lived experience in policy advocacy.

Homeless shelter nonprofits are active in advocacy at all three scales of change presented in the survey: advocacy addressing the modalities of operating a shelter, homelessness policy, and policy affecting the root causes of homelessness. As Figure 4 shows, the two top advocacy issues were preventing homelessness and housing affordability, with 80 percent of HSNPOs reporting that they advocated on these issues in the last year.

One point of interest is the relatively small proportion of HSNPOs that reported advocacy on democratic participation and voting access (20%).

Figure 4. Top advocacy issues, percent of HSNPOs reporting



Ideal types

HSNPOs can and do specialize in different dimensions of democracy promotion. This section presents five ideal types, developed based on observed similarities in democracy promotion index scores across different categories: super democracy promoters, campaigners, empowerers, people-centred service providers, and service-focused organization. Alongside each ideal type is a composite profile outlining organizational characteristics that were common for HSNPOs approximating each ideal type, based on survey responses, as well as Canada Revenue Agency charity financial disclosure data and HSNPO websites.

Super democracy promoters are active in all three dimensions of democracy promotion: political participation, internal democracy, and representative voice. Although active in all three categories, these organizations tend to be least involved in internal democracy, with the lowest index scores in this category. Super promoters are located in cities, often a provincial or national capital, giving them physical proximity to government. They may be large organizations that operate multiple shelters, or shelters that support unhoused youth or women escaping family violence. They have million- or multi-million-dollar budgets, a majority of which is provided by the government but with philanthropy providing about a quarter of funding. The large budgets of these organizations may afford them the capacity to be active in all three democracy promotion areas, whereas smaller organizations may have to specialize.

Campaigners specialize in exercising representative voice. Unlike super promoters, they report below average involvement in the other democracy promotion areas, especially political participation activities. Housing is part of a broader mission for most of these organizations, with shelter services addressing a need for their primary population of focus. As such, these organizations operate smaller shelters (fewer than 50 bed spaces). Campaigners have smaller budgets than super democracy promoters, but still in the realm of one million dollars annually. Most of their funding, about three-quarters, comes from government.

Empowerers specialize in promoting political participation among service users, with moderate involvement in representative voice and minimal involvement with activities supporting internal democratic governance. Empowerers provide housing and other services for unhoused youth (including young adults) as a primary mission. These organizations operate small shelters (under 25 bed spaces) in communities with populations below 100,000 people. They have budgets around $500,000 and are almost exclusively funded by government.

People-centred service providers specialize in internal democratic governance, with moderate or minimal involvement in the other dimensions of democracy promotion. These organizations are not primarily focused on homelessness, but rather provide resource-intensive supports that include housing to niche groups (e.g., HIV-positive persons), on a short- and long-term basis. As such, they have multi-million-dollar budgets despite operating 30 or fewer bed spaces. People-centred providers receive about half of their funding from government, with philanthropy and commercial revenue serving as substantial revenue sources as well.

Finally, ***service-focused organizations*** carry out only a few democracy promotion activities across all three dimensions. Organizations in this category did still have a democracy promoting role, but

this was a relatively small focus for them. Service-focused organizations had relatively little in common, though several were associated with religious networks.

DISCUSSION

The empirical results point to a vital role of homeless shelters that extends beyond the provision of basic needs. In doing so, it contributes to a better understanding of the dualities of welfare-providing nonprofits. Rather than being mere appendages of state services, welfare-providing nonprofits like homeless shelters can and do also play a role in promoting the democratic rights of those accessing them. This is important to understanding the actors involved in democracy promotion, and therefore the role of nonprofits in the inclusion of marginalized populations, and where perhaps nonprofits stand to expand this role.

This analysis also points to how HSNPOs are democracy promoting and offers ideal types that speak to not only activities, but also the possibility that these choices are connected to organizational characteristics like size, location, target population, and government dependence. For example, it may be the case that organizations with larger budgets (such as super democracy promoters and campaigners) have the capacity to be active in all three democracy promotion categories, whereas smaller organizations may need to specialize in one or two (such as empowerers and people-centred service providers). For smaller organizations, supporting political participation may be the least resource intensive. It may also be the safest option for those organizations that are exclusively funded by government—though in the Canadian context, nonprofit homeless shelters do not view it as likely that governments will cut their funding (Pue, 2021). Similarities in the missions of homeless shelters in some of the categories suggests that this, too, could play a role in how nonprofits decide to specialize. These are all hypotheses that could be examined in future research.

This research also points to the different roles of nonprofits and where nonprofits can expand democracy promotion. The fact that homeless shelters were least engaged in internal democratic governance poses important questions about the value (or a lack thereof) of lived experience in service provision and the limited role of shelters as sites of inclusion, and rather sites that maintain power imbalances and marginalization. Engaging individuals experiencing homelessness in service delivery can lead to more comprehensive support and better addressed problems and needs, with benefits for policy and service delivery (Clark, Cheshire, & Parsell, 2020; Ponce & Rowe, 2018). Lived expertise is a vital form of expertise that can inform policy and services, as well as influence political agency and autonomy (Kopec, 2022; Tracy & Wallace, 2016; Solomon, 2004). These findings therefore also point to important avenues for expanding this role, in addition to the existing practices of democracy promotion.

Support for political participation was somewhat common among the sample. As voting without a permanent address includes a unique process, nonprofit shelters serve a crucial role in informing residents of their right to vote and the processes it entails.[6] As a key interaction—and often one of few—individuals have with the "state," nonprofit homeless shelters are vital actors in sharing such information. This also includes informing individuals of when and how to vote, acting as a place of address, and publicizing necessary information. Given the role of homelessness agencies, including nonprofit shelters, in the process of voting, it is unsurprising that a majority of the sample assisted

service users with voter registration. Less than 40 percent of the sample of HSNPOs, however, reported providing information about candidates and election events. Resource constraints may prevent HSNPOs from sharing more meaningful information (HSNPO funding is quite scarce in many cases). Charity rules regarding political activities, as well as norms around the apolitical role of charities, may influence the types of election information HSNPOs provide.

It is worth noting however, that campaigners in this study—although with smaller budgets than super democracy promoters—still function with approximately one-million-dollar annual budgets, most of which comes from government. Their funding and support and advocacy initiatives make it surprising that they do not play a more significant role in political participation. Although these HSNPOs are advocates for issues relating to homelessness, their involvement with political participation activities is below average. This seems rather counter-intuitive, since it could be assumed that increasing the participation of individuals experiencing homelessness may in fact lead to the policy changes campaigner's support. Empowerers, on the other hand, specialized in promoting political participation among service users with generally smaller budgets. Their funding, however, is almost exclusively from government. The relationship between government funding and political participation promotion cannot be fully examined here; however, it could be fruitfully explored in future case comparison or quantitative research.

Service providers reported having some internal mechanisms that allowed for service users to influence service delivery; however, these were limited to meetings and evaluations. Participation in service delivery can be a route to empowerment and an opportunity to contribute to change (Tanekenov, Fitzpatrick, & Johnsen, 2018). Meetings and evaluations are therefore important, although their accessibility and influence on service delivery need to also be considered. Consultations, committees for service users, and board positions were less prevalent, but still occurred: 40, 35, and 24 percent of respondents reported these activities, respectively. Although the use of consultations, committees, and board memberships still include unequal power relations, they do create potential for contact zones for inclusive poverty politics (Lawson & Elwood, 2014). Our ideal type cases show that, in this sample at least, HSNPOs that serve as venues of internal democratic governance—super democracy promoters and people-centred service providers in particular—have million- or multi-million-dollar budgets. This may speak to the relationship between organizational capacity and internal governance mechanisms. Future research could examine under which conditions larger budgets may enable HSNPOs and other nonprofits to govern themselves more democratically.

Just over a third of respondents employ peer workers in their shelters, with most of them falling within the ideal types with larger budgets. The benefits of peer workers in the homelessness space have been found in several studies of peer-led overdose prevention and harm reduction facilities (Bardwell, Fleming, Collins, Boyd, & McNeil, 2019), housing and health services (Magwood, Salvalaggio, Beder et al., 2019) and outreach programs (Deering, Kerr, Tyndall et al., 2011). Studies find that peer support workers in homelessness agencies can improve access to services as well as create awareness of important issues and concerns (Baumann, Hamilton-Wright, Riley et al., 2019).

Eighty percent of HSNPOs reported advocating on housing affordability and preventing homelessness. This suggests that, rather than advocating primarily for organizational self-interest, HSNPOs

do exercise representative voice in support of policies to curtail homelessness. Thus, there is at least an attempt by HSNPOs to represent the interests of service users through this function, although less so through internal governance measures that would offer more power to service users themselves.

It is important to note that this survey was designed for service providers and does not offer a service user perspective. Rather, it reports on democracy promotion activities from the HSNPO's perspective at a particular point in time. Furthermore, the survey asks HSNPOs to identify which activities they undertake. It may therefore overrepresent HSNPOs that are more active on democracy promotion due to selection bias.

A final limitation is the survey method itself, which does not allow for a rich examination of the nature, content, accessibility, and dispersion of democracy promotion activities. The survey did not allow researchers to examine the details of democracy promotion activities. Although there may be efforts by nonprofits to increase the political participation, not only is it impossible to ask if this information is in fact passed on to users, but barriers towards participation for the unhoused remain (Kopec, 2017). Barriers to participating in internal governance structures have also been identified in other studies. They include staff attitudes toward accessibility of, and knowledge about, forms of participation (Phillips & Kuyini, 2017; Ferguson, Kim, & McCoy, 2011).

Oftentimes, the participation of marginalized groups can simply serve as a mechanism through which the powerful maintain their power under a guise of equitable participation (Arnstein, 1969). Despite the relative comfort of Canadian HSNPOs in exercising representative voice, often for approaches like preventing homelessness and Housing First, Canada's homelessness policy is still heavily reliant on emergency sheltering, leaving many unhoused Canadians in precarious, unsafe, and unhealthy situations. Although nonstate actors have influenced government decisions, as the COVID-19 pandemic has shown (Kopec, 2023), the ability of service provider nonprofits to lead in transformative egalitarian politics may be limited.

This research provides one piece of the puzzle. Nonprofit service providers have a role to play in democracy promotion and do so through three main functions: promoting political participation, governing themselves democratically, and exercising representative voice. They are therefore key players in the inclusion of some of the most marginalized populations in Western democracies. This is an important step for future research regarding the political inclusion of individuals experiencing homelessness, as well as other marginalized groups that primarily access the state through frontline service provider nonprofits. Research has considered various other civil society actors, such as tenant organizations, as political actors that create critical opportunities for marginalized actors to exercise power (Michener & SoRelle, 2022). Knowing the role of nonprofits allows us to consider the participatory opportunities available to marginalized groups (Han & Kim, 2022). It allows for the closer examination of the role of nonprofits in social change efforts, and in reconciling the polarities of democracy, namely the participation-representation polarity (Benet, 2013). By pointing to the role of different actors in democracy promotion, we can consider the positive and negative aspects of the various elements of democracy (Benet, 2013). Further research should investigate the modalities of participation from different inclusionary lenses, especially the drivers of active participation.

CONCLUSION

Nonprofit welfare providers occupy a unique position as both frontline public service providers and part of civil society. The role of these organizations is not limited to service provision—nonprofit welfare providers can also be active participants in the democratic, pluralism, and community functions of civil society. This article on Canadian homeless shelters provides evidence that HSNPOs act to promote democracy through three sets of activities: support for political participation, internal democratic governance, and representative voice. It also offers case study ideal types. Both frameworks contribute to existing studies of nonprofit organizations as well as inform future research. An analysis of their democracy promoting function serves to underscore the potential of nonprofits as actors that fight marginalization and exclusion. The ideal types, furthermore, point to organizational characteristics that may influence how HSNPOs fulfill their democratic function. Future research can utilize these frameworks and further our understanding of democracy promotion beyond traditional forms of participation and among marginalized populations.

Homeless shelters, in at least some contexts and through some actions, promote participation in democratic processes. In other cases, there are ways in which HSNPOs can further embrace their democratic role. This research informs future research and nonprofit sectors. It has identified specific activities that HSNPOs can facilitate, whether within their organizations or in bridging the divide between vulnerable service users and the government, to fulfill their democratic function.

NOTES

1. Given the diversity of organizations in civil society, these functions are generalizations; nevertheless, they are generalizations that scholars have seen as having applicability across civil society.
2. However, inequalities are also reflected in civic voluntarism participation rates (Verba et al., 1995; Schlozman & Brady, 1995).
3. This article focuses on the representation of service users, but representative voice can also represent other nonprofit constituencies, such as members, volunteers, and donors.
4. A further 18 respondents started the survey. However, as the vast majority (15) of these completed 20 percent of the survey or less, the authors opted to exclude those incomplete surveys from the data.
5. The median total revenue of respondents was $1.4 million, compared with $1.5 million for the total HSNPO population. The median respondent operates just one homeless shelter, consistent with the broader HSNPO population.
6. There has been little research conducted on homelessness and voting in Canada. A preliminary study in Toronto, however, found that access to information regarding processes of voting vary depending on the homelessness service and agency (Kopec, 2017).

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APPENDIX A. IDENTIFYING HOMELESS SHELTER NONPROFIT ORGANIZATIONS FROM THE NATIONAL SERVICE PROVIDERS LIST

The Community Development Homelessness Partnerships Directorate of Employment and Social Development Canada (ESDC) publishes the National Service Providers List (NSPL), a "comprehensive" listing of homeless shelters in Canada, as part of the National Homelessness Information System (NHIS). The NSPL is curated for the purpose of retaining national capacity statistics and includes both emergency and transitional shelters. Importantly, not all homeless shelters in the dataset are nonprofit shelters. On 18 June 2018 we downloaded the dataset for 2017. According to the NSPL, there were 687 homeless shelters in Canada in 2017. The following is a data dictionary that accompanies the NSPL, downloaded on 13 November 2018.

Table A1. Data dictionary: Nonprofit service provider list

Variable name	Description	Values and value labels
Shelter type	Shelter facilities are categorized by the type of service provided to clients.	*Emergency:* Emergency shelter facilities provide temporary, short-term accommodation for homeless individuals and families. Other services, such as food, clothing or counselling, may or may not be provided. *Transitional:* Transitional housing provides temporary shelter, but is differentiated from emergency shelters by longer lengths of stay and greater intensity of support services offered to clients. Transitional housing is an intermediate step between emergency shelter and permanent housing.
Province code	Canadian provincial code	AB – Alberta BC – British Columbia MB – Manitoba NB – New Brunswick NL – Newfoundland NS – Nova Scotia NT – Northwest Territories NU – Nunavut ON – Ontario PI – Prince Edward Island QC – Quebec SK – Saskatchewan YT – Yukon
City	Municipality or community	Text
Target clientele	Emergency shelters and transitional housing are further categorized by the clients they serve.	*General:* Provide services to adult males and/or females. Some accept youth. *Family:* Provide services to families and adults with dependants. Some also accept single adult women without dependents. *Youth:* Provide services to youth. Shelters have varying definitions of youth, which may include a range of ages between 12 and 29 years.
Gender(s) served	General and youth shelters may or may not offer facilities for a specific gender.	*Males:* Provide services to males. *Females:* Provide services to females. *Both:* Provide services to both genders.
Shelter name	The registered shelter name in the National Service Provider List for emergency shelters and transitional housing.	Text

Table A1. (continued)

Variable name	Description	Values and value labels
Number of beds	The number of permanent beds provided by each facility, which describes the shelter capacity.	Numeric

Updated: June 21, 2017

The NSPL identifies individual shelters as observations. In reality, a single organization may operate more than one shelter. Accordingly, we used web searches to identify the organizations that operate each shelter. For each shelter, we added values for the following:

- *Organization*: refers to the administering organization that operates the shelter.
- *Organization type*: refers to whether the organization is a registered charity, non-charity nonprofit, government (municipal, provincial, federal, First Nations), for-profit company, cooperative, public-private partnership, or nonprofit partnership.
- *Charity BN*: where the administering organization was a registered charity, this was recorded.

There were 16 shelters (out of a total 687) for which we could not identify the administering organization.

Based on the web searches used to link homeless shelters with shelter administering organization, a new dataset was created with administering organizations as the unit of observation. That worksheet identified 429 organizations that operate the 671 homeless shelters in the NSPL for which data on the administering organization was available (as stated above, data was unavailable for 16 of the 687 homeless shelters in the dataset).

Table A2. Number of Shelter Administering Organizations, by Organization Type

Organization type	Number of organizations
Nonprofit organization, registered charity	393
Nonprofit organization, not registered as a charity	12
Government (municipal, provincial, and First Nation)	14
For-profit company	5
Public-private partnership	3
Co-operative	1
Nonprofit partnership	1
Total	**429**

We then created a new worksheet that included only the subset of 393 administering organizations that are registered charities. One of these organizations, Just'elle de l'Estrie, is no longer active and as such this organization was removed from the dataset.

APPENDIX B: SURVEY QUESTIONNAIRE

NONPROFIT ADVOCACY SURVEY

Start of Block: Consent

Study on Participation in Advocacy by Homeless-Serving Nonprofit Organizations in Canada

Consent to Participate in Research
You are invited to participate in this project on the advocacy behaviour of Canadian nonprofit organizations serving people experiencing homelessness.

Your participation is voluntary. Please carefully consider the information in this letter and feel free to ask questions before making your decision as to whether or not you will participate. If you decide to participate, you will be asked to click 'I understand the purpose and nature of the research, and agree to participate under the ethical considerations indicated' below. You may exit the survey at any time. If you decide to cease participation there will be no penalty to you or your organization. Furthermore, you may decline to answer any question while participating in the study. Your decision will not affect your future relationship with Carleton University.

This project has been approved by the Carleton University Research Ethics Board (clearance number: 113247). If you have any questions about the project or the ethics clearance, please contact the Chair of the Research Ethics Board at ethics@carleton.ca.

Purpose: This project aims to understand how, why, and under what conditions homeless-serving nonprofit organizations exercise policy voice. This is a consent form for research participation. It contains important information about this study and what to expect if you decide to participate.

Procedures: Participation will consist of an online survey, which will take approximately 10 minutes to complete.

Risks and Benefits: No personal or professional risk is reasonably expected to arise from participation in this study. Responses will be reported in aggregate, meaning that no individual or organisation will be named in the reporting of survey results. In the context of the minimal risks to participants outlined above, we believe that the study will provide benefits to scholarly, nonprofit, and policy communities through the findings that it generates.

Access to Information, Confidentiality, and Publication of Results: Only the researcher, Ms. Kristen Pue, will have access to the survey data, although an anonymized version may be shared (with no personal or organizational identifying information). Efforts will be made to keep survey data confidential, and there are no reasonably foreseeable grounds under which we would be compelled to release this information. Efforts will be made to keep this information electronically secure. Data stored within Qualtrics is encrypted and data will be stored on an encrypted external hard drive. Survey data will be destroyed after ten years. We do intend to publish and make public presentations based on this research, using aggregate data.

Please feel welcome to contact the researcher, Ms. Kristen Pue, for further information, including to obtain a copy of this consent form. Kristen Pue, Postdoctoral Fellow, Philanthropy and Nonprofit Leadership, School of Public Policy and Administration, Carleton University, Email: kristen.pue@carleton.ca

(Please click on the below *'I understand the purpose and nature of the research, and agree to participate under the ethical considerations indicated', to continue)*

- I understand the purpose and nature of the research, and agree to participate under the ethical considerations indicated. (1)

End of Block: Consent

Start of Block: Advocacy Tactics

Q1 Does your organization do advocacy?

- Yes (1)
- No (2)

Q2 In the last year, did your organization:

	Yes (1)	No (2)	Don't Know/ Not Applicable (3)
Publish an op-ed in a local newspaper (1)			
Hold membership in one or more advocacy coalitions (e.g. Canadian Alliance to End Homelessness) (2)			
Participate in one or more policy tables or networks (3)			
Advocate for policy change in meetings with public servants or elected officials (4)			
Initiate or participate in a public-facing advocacy campaign (5)			
Submit a written position or statement to a formal policy process (6)			
Participate in a consultation (7)			
Participate in a protest (8)			

Q3 In the last year, did your organization advocate for policy change with any of the following government actors? Please select all that apply.

- Public servants in local government (1)
- Public servants in provincial/territorial government (2)
- Public servants in federal government (3)
- Elected officials in local government (4)
- Elected officials in provincial/territorial government (5)
- Elected officials in federal government (6)
- Indigenous band council members (7)
- Other traditional leaders in Indigenous communities (8)

End of Block: Advocacy Tactics

Start of Block: Access

Q4 When you pick up the phone and call each of the following actors, how likely is it that you'll either get through to the intended person or that your call will be returned?

	Almost always (1)	Usually (2)	Usually Not (3)	Almost Never (4)	Not applicable (5)
The government department responsible for homelessness services (1)					
Other government departments (2)					
The Mayor's office (3)					
The Premier's office (4)					
The local community foundation (5)					
The local United Way/Centraide (6)					

Q5 Over the past year, how often did city officials approach your organization's executive director, staff, or board members to discuss policy decisions of mutual interest?

- Four or more times a month (1)
- Two to three times a month (2)
- Once a month (3)
- At least once, but less than once a month (4)
- Never (5)

Q6 Over the past year, how often did provincial/territorial officials approach your organization's executive director, staff, or board members to discuss policy decisions of mutual interest?

- Four or more times a month (1)
- Two to three times a month (2)
- Once a month (3)
- At least once, but less than once a month (4)
- Never (5)

Q7 Over the past year, how often did federal officials approach your organization's executive director, staff, or board members to discuss policy decisions of mutual interest?

- Four or more times a month (1)
- Two to three times a month (2)
- Once a month (3)
- At least once, but less than once a month (4)
- Never (5)

End of Block: Access

Start of Block: Criticizing Government

Q8 How likely is your organization to publicly criticize government policy?

- Extremely likely (1)
- Somewhat likely (2)
- Neither likely nor unlikely (3)
- Somewhat unlikely (4)
- Extremely unlikely (5)

Q9 For each of the following statements below, please indicate your agreement or disagreement:

Q9A It is appropriate for organizations like ours to publicly criticize government for policy failures.

- Strongly agree (1)
- Agree (2)
- Somewhat agree (3)
- Neither agree nor disagree (4)
- Somewhat disagree (5)
- Disagree (6)
- Strongly disagree (7)

Q9B It is effective for organizations like ours to publicly criticize government for policy failures.

- Strongly agree (1)
- Agree (2)
- Somewhat agree (3)
- Neither agree nor disagree (4)
- Somewhat disagree (5)
- Disagree (6)
- Strongly disagree (7)

Q9C Organizations like ours have the right expertise to criticize government for policy failures.

- Strongly agree (1)
- Agree (2)
- Somewhat agree (3)
- Neither agree nor disagree (4)
- Somewhat disagree (5)
- Disagree (6)
- Strongly disagree (7)

Q9D Homeless-serving charities like ours should be vocal proponents for ending homelessness.

- Strongly agree (1)
- Agree (2)
- Somewhat agree (3)
- Neither agree nor disagree (4)
- Somewhat disagree (5)
- Disagree (6)
- Strongly disagree (7)

Q9E Homeless-serving charities like ours should focus on providing services, rather than advocating for policy change.

- Strongly agree (1)
- Agree (2)
- Somewhat agree (3)
- Neither agree nor disagree (4)
- Somewhat disagree (5)
- Disagree (6)
- Strongly disagree (7)

Q9F Homeless-serving charities like ours that publicly criticize government risk losing government funding.

- Strongly agree (1)
- Agree (2)
- Somewhat agree (3)
- Neither agree nor disagree (4)
- Somewhat disagree (5)
- Disagree (6)
- Strongly disagree (7)

Q9G Homeless-serving charities like ours that publicly criticize government risk losing philanthropic funding.

- Strongly agree (1)
- Agree (2)
- Somewhat agree (3)
- Neither agree nor disagree (4)
- Somewhat disagree (5)
- Disagree (6)
- Strongly disagree (7)

Q9H Homeless-serving charities like ours that publicly criticize government risk losing funding from businesses.

- Strongly agree (1)
- Agree (2)
- Somewhat agree (3)
- Neither agree nor disagree (4)
- Somewhat disagree (5)
- Disagree (6)
- Strongly disagree (7)

End of Block: Criticizing Government

Start of Block: Advocacy Issues

Q10 In the last year, did your organization advocate on any of the following issues (select all that apply):

Q10A Shelter funding, reporting, and requirements

- Government shelter funding rates (1)
- Government shelter funding rules (e.g. eligible expenses, how funding is allocated or disbursed) (2)
- Reporting requirements (3)
- The content of shelter standards (4)
- Other (5) _____

Q10B Homelessness policy

- Housing First (1)
- Ending homelessness (2)
- Preventing homelessness (3)
- Chronic homelessness (4)
- Hidden homelessness (5)
- Shelter conditions (6)
- Indigenous homelessness (7)
- Refugee homelessness (8)
- Youth homelessness (9)
- Veterans homelessness (10)
- Women's homelessness (11)
- LGBTQ2S homelessness (12)
- Senior citizens' homelessness (13)
- Other (14) _____

Q10C Broader causes of homelessness

- The foster care system (1)
- Mental health care (2)
- Addictions treatment (3)
- Safe injection sites (4)
- Family violence (5)
- Housing affordability (6)
- Social housing (7)
- Poverty reduction (8)
- Unemployment (9)
- Disabilities inclusion (10)
- Indigenous reconciliation (11)
- Jordan's Principle (12)
- Racism (13)
- LGBTQ2S discrimination (14)
- Social assistance rates/policies (15)
- Access to social services (16)
- Access to justice (17)
- Democratic participation, voting access (18)
- COVID-19 (19)
- Other (20) _____

End of Block: Advocacy Issues

Start of Block: Questions on Democracy Promotion

Q11 Does your organization do any of the following to support political participation amongst service users? Please select all that apply.

- Publicize election information within the shelter (1)
- Inform service users about how/when to vote (2)
- Inform service users about candidates and election issues (3)
- Encourage service users to vote (4)
- Assist service users with voter registration (5)
- Inform service users about debates and other election events (6)
- Partner with democracy promotion organizations (7)
- Hold information sessions, debates, or other election events (8)
- Act as a polling station during elections (9)

Q12 Does your organization employ peer support workers?

- Yes (1)
- No (2)
- Don't Know (3)

Q13 What opportunities, of any, does your organization offer for service users to influence the services that you provide?

- Board positions held for service users (1)
- Meetings for service users (monthly, weekly, etc.) (2)
- Involvement in service/program evaluations (3)
- Involvement in staff evaluations (4)
- Comment cards (5)
- Consultations on organization policy and services (6)
- Committees involving people with lived experience (7)

Q14 Has your organization ever involved people with lived experience directly in policy advocacy? (E.g., bringing people with lived experience to meetings with a Member of Parliament, putting service user names forward for policy consultations)

- Yes (1)
- No (2)
- Don't Know (3)

End of Block: Questions on Democracy Promotion

Start of Block: Final Block

END

Please click the arrow below to submit your final answers.

End of Block: Final Block

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Can They Build or Not? Nonprofit Housing Development in an Era of Government Re-Engagement

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ABSTRACT

In the context of new government investment in housing, this article explores the experiences of nonprofit organizations in securing support for new affordable rental housing development in three regions across Canada. Many challenges were reported, including ones pertaining to administration (extensive proposal requirements, lack of information and communication, and lengthy review processes), and the design of funding programs (such as a lack of flexibility available to proponents). Participants also reported limitations to the amount and nature of support provided, challenges working across different levels of government, and an uneven playing field among nonprofit and for-profit housing developers. Overall, results show that despite significant and recent investments made available for affordable housing, the nonprofit sector faces many barriers in accessing these, and that significant changes are required so that housing organizations may provide rental units to those in greatest need.

RÉSUMÉ

À un moment où les gouvernements investissent à nouveau dans le logement, nous nous penchons sur l'expérience des organismes à but non lucratif et leurs efforts pour obtenir des fonds pour la création de nouveaux logements dans trois régions au Canada. De nombreuses difficultés ont été soulignées, notamment en ce qui concerne l'administration (nombreuses exigences pour les demandes, manque d'information et de communication et long processus d'examen) et la conception des programmes de financement (y compris le manque de flexibilité accordée aux promoteurs). Les participants ont aussi soulevé les limites quant aux sommes et à la nature de l'aide fournies, les difficultés de travailler avec divers ordres de gouvernement et les inégalités entre les promoteurs de logements à but non lucratif et à but lucratif. Dans l'ensemble, nos résultats indiquent que malgré les investissements récents considérables dans le logement abordable, les organismes du secteur à but non lucratif se butent à beaucoup d'obstacles pour y accéder et que de nombreux changements s'imposent afin qu'ils puissent offrir des logements locatifs aux personnes qui en ont le plus besoin.

Keywords / Mots clés : affordable housing, National Housing Strategy, nonprofit organizaitons / logements abordables, Stratégie nationale sure le logement, organismes à but non lucratif

INTRODUCTION

Daily media reports and results from counts of people experiencing homelessness remind us that the lack of affordable rental units in Canada has reached a crisis level. COVID-19 has also highlighted the critical importance of affordable housing, exposing the health, economic, and social consequences faced by those without (Karabanow, Doll, Leviten-Reid, Hughes, & Wu, 2022; Thompson, Bonnycastle, & Hill, 2020). However, even though the pandemic has fostered many conversations about "building back better," (see CCPA-NS, 2021), third sector housing organizations face many challenges in building rental units at all. Ironically, this is occurring at the same time that Canada has legislated a right to housing (National Housing Strategy Act, 2019), and that the federal government has renewed its interest in funding affordable rental housing after withdrawing almost three decades ago (Co-operative Housing Federation of Canada, 2021).

Situated in the literature on the role of nonprofit housing organizations in providing affordable housing as well as empirical work on the constraints faced by the third sector, this article examines the recent experiences of housing providers in three regions of the country as they have worked to secure government support for affordable rental housing development.

BACKGROUND

In Canada, public housing was the first form of nonmarket housing provided for low-income renter households. This development took place between the Second World War and the 1980s (Debicka & Friedman, 2009) and accounts for almost one third of the total number of nonmarket housing units across Canada. Most public housing projects were historically managed by a single board of directors composed of people appointed by the government (Sousa & Quarter, 2003), although in some jurisdictions, substantive tenant engagement has now been incorporated (Toronto Community Housing, 2022).

By the late 1960s, there was dissatisfaction with public housing and urban renewal projects (Wexler, 1996; Wolfe, 1998) and in 1973, the federal government shifted its focus to subsidies for new forms of nonmarket housing through community-based, cooperative, and municipal nonprofit organizations (Wexler, 1996). Qualified organizations were authorized to obtain loans and interest rate subsidies (Miron, 1995), with resource groups established to assist with housing development. Community nonprofit housing means sponsorship by organizations including faith-based groups, welfare clubs, seniors' organizations, unions, and ethno-cultural organizations. Municipal nonprofit organizations (or municipal nonprofit housing corporations) are managed and developed by local boards but have varied levels of direct involvement by government; although there will be some municipal representatives on the board, its operation is still relatively independent (Dubé, 2021). Cooperatives are democratic housing organizations, in which tenants (called members) govern their housing and are sometimes involved in property management as well (Sousa & Quarter, 2003).

In 1993, the federal government terminated its funding of new affordable housing off reserve, although some provinces continued to invest in its development on their own, such as British Columbia and Québec (Suttor, 2016). When there was "modest reengagement" (Suttor, 2016) by Ottawa in the early 2000s to 2017, new affordable housing projects funded through bilateral agreements no longer privileged third sector providers specifically, but instead promoted partnerships

to include private sector developers (Leviten-Reid, Lake, & Campbell, 2015). In 2017, a new era of investment began with the National Housing Strategy (NHS), with some programs funded and administered federally while others involve cost-sharing with provinces and territories. The language used in the NHS promotes multi-sectoral involvement in affordable housing, although some programs, such as the Rapid Housing Initiative (RHI), have been designed specifically with third sector providers in mind. Overall, recent reviews of the NHS have highlighted major problems with how funds have been allocated for new construction, and have pointed to extensive for-profit involvement in new rental housing development, with questionable affordability of these new units for low-income tenants overall (Blueprint ADE & Wellesley Institute, 2022).

FRAMEWORK AND LITERATURE REVIEW

Government–nonprofit collaboration is a useful framework for this research (Salamon & Teopler, 2015). While earlier work on the role of nonprofits proposed these organizations worked separately from government (e.g., Bae & Sohn, 2018), government–nonprofit collaboration is based on an understanding that the public and community sectors have a long history of working jointly, as is the case in the provision of affordable housing in Canada as described above, albeit with varying degrees of success and support on the part of government. Within such a framework is an understanding that the third sector possess particular strengths in delivering services including flexibility, the ability to offer comprehensive services or programs, and the generation of outcomes such as community belonging and civic engagement (Salamon & Teopler, 2015). Also incorporated within is that partnerships with government might strengthen shortcomings of the nonprofit sector, including their lack of access to resources and potentially their limited technical skills (Salamon & Teopler, 2015). However, this framework does not idealize relationships across the two sectors, and numerous problems may arise in such collaborations.

Financial support and sustainability are two such problems. In the housing sector, the high cost of construction and maintenance coupled with the deep subsidies required to provide low-cost units for tenants with limited incomes means that most third sector housing providers rely on long-term government support (Carlson, 2014; Lasby & Barr, 2021). As operating agreements for existing housing end without commitments to perpetual funding from the state, many practitioners are doubtful they can offer the same amount of deeply subsidized units as before (Auguste Solutions & Associates Inc., 2018; Cooper, 2015). The loss of government subsidies is projected to lead to insufficient revenue and capital. In response, higher rents and/or the sale of some properties in order to maintain and support the ones that are left are anticipated (and have occurred in housing with expired agreements; Auguste Solutions & Associates Inc., 2018), decreasing the number of affordable housing units available and having further negative impact on marginalized groups (BC Housing, 2018; Cooper, 2015). Extant work has also found that third sector housing providers focus on their organization's stability rather than providing low-cost housing to tenants in need as operating agreements expire (Cooper, 2022).

Notwithstanding retrenchment not only in housing but other social programs in Canada, analysts have suggested increasing government revenue, such as through increasing the inclusion rate of taxes paid on capital gains, to finance affordable housing (CCPA-NS, 2021), and researchers have

documented cost savings to the state when upstream investments are made in keeping low-income households sheltered (Khalid, 2015). In addition, social finance is growing as a strategy to support affordable housing development (Gillard, 2014), in which mechanisms such as community investment funds and assets from foundations provide local organizations with favorable lending terms (Chaland, 2011; McCort & Phillips, 2021). Another strategy is to utilize real estate donations, although third sector housing organizations may lack the human resources required to solicit and administer these kinds of contributions, while donated properties may not be suitable for housing or feature buildings that require extensive and costly renovations (Dhenin, 2021).

Besides funding for the development and provision of affordable "bricks and mortar," some tenants also need social support once they are housed (Collins, de Vos, Evans, Mason, Anderson-Baron, Cruickshank, & McDowell, 2021; Smirl, 2019; see also Distasio & McCullough, 2014; Klassen, 2018). Many housing organizations work to provide these through onsite services and/or connections to community-based resources; however, funding for support is generally neither sustainable nor sufficient (Smirl, 2019). Although some provincial and municipal governments have introduced several temporary dedicated programs to provide funding to marginalized tenants in response to COVID-19 (Thompson et al., 2020), the third sector struggles to secure resources to provide onsite staff to assist tenants in the long run.

Capacity of staff, directors, and other volunteers is also a challenge in the third sector, in the field of housing and social services more broadly. Part of the capacity issue is rooted in the sector's working conditions caused by limited funding, including relatively low wages, limited benefits, and increasingly high demand for services (Phillips & Wyatt, 2021; Thériault & Vaillancourt, 2021), leading to burnout and high turnover. Working conditions also involve an environment of complex government regulations, accountability requirements, and burdensome processes (Eakin & Graham, 2009). Drafting complex proposals and working on very time-consuming and tedious applications, especially for short-term funding and small grants, are significant issues, and line-by-line restrictions on using funds (Eakin & Graham, 2009) also means there is a lack of flexibility and agility with how funds may be spent. And while other sources of revenue have become increasingly important for the third sector, boards and staff may lack familiarity with social finance tools, impacting uptake (McCort & Phillips, 2021). In addition, beyond the "increasingly sophisticated and specialized knowledge" required of directors in the nonprofit sector as a whole (Charters, 2021, p. 12), housing development and management requires expertise in wide-ranging fields, from construction to planning and community engagement, with third sector housing providers often engaging in one-off projects and learning as they go (Leviten-Reid et al., 2015). Capacity may also be impacted due to board composition. Housing cooperatives, as democratic organizations, are leaders in tenant engagement and provide important opportunities for learning and skills development (Schugurensky, Mündel, & Duguid, 2006), but restrictions on who may serve on the board may limit the skills available at the table. In turn, other nonprofit housing organizations may fail to have critical first-voice involvement in decision-making (Leviten-Reid et al., 2015).

Despite major challenges, the literature also shows that third sector housing providers play an important role in affordable housing provision. Most notable is their commitment to affordability (Achtenberg, 2006; Leviten-Reid, Mathew, & Mowbray, 2019; Wiener, 2006) and their commitment

to serving marginalized tenants and communities (Bratt, 2008; Ellen & Voicu, 2006; O'Regan & Quigley, 2000).

METHODS

This research took place in three regions across Canada: Cape Breton Regional Municipality, Nova Scotia (CBRM; population 93,694), Ottawa, Ontario (population 1,017,449), and Saskatoon, Saskatchewan (population 266,141). Despite their different sizes, all three feature significant homelessness as well as high percentages of renter households who are in core housing need (Table 1) (Bickerton & Roy, 2019; Olauson, Nyamekye, Findlay, Muhajarine, Buhler, Holden, Christopherson-Cote, & Usiskin, 2022; City of Ottawa, 2019).

Table 1. Profile of study regions

	Cape Breton Regional Municipality	Ottawa	Saskatoon
Population (2021)*	93,694	1,017,449	266,141
% Renters in core housing need (2021)**	18.9%	23.3%	22.7%
Average rent (one-bedroom apartments) (2022)**	$725	$1,347	$1,016
Average rent (two-bedroom apartments) (2022)**	$872.	$1,625	$1,243
Median after-tax income of individuals (2021)*	$31,400	$44,000	$38,800

Notes: *Canada Mortgage and Housing Corporation. (2022). Housing market information portal; **Statistics Canada. (2022, February 9). Census profile, 2021 census of population.

Participants included 15 third sector housing practitioners from 13 organizations distributed across the three regions captured in this study. The sampling strategy included convenience and snowball sampling (Parker, Scott, & Geddes, 2019). Potential participants were selected and recommended by regional leaders of a national research initiative on affordable housing. Recruitment emails were customized and sent directly to potential participants, and those who agreed to be interviewed were asked if they could identify other organizations in their communities to approach.

Table 2. Participating organizations' characteristics (*n* = 13)

Years of operation	<20	4
	20–39	6
	40+	3
Number of housing units	<100	5
	100–499	5
	500+	3
Provides other supports to renters	Yes	6
	Yes (with partners only)	4
	No	3

Of the 13 participating organizations, 12 are community-based nonprofits, while one has ties to a lower level of government but operates at arm's length of it. The longest-running organization was established in the early 1970s, the newest was started less than five years ago, while three quarters

have worked in the sector for over 20 years. Over half of the organizations own and manage hundreds of units (Table 2).

Besides the fact that all housing organizations provide units to tenants with low incomes, the range of target groups assisted includes female-headed households, seniors, veterans, Indigenous tenants, individuals with disabilities, mental illness, and addictions, those who have experienced homelessness, and victims of intimate partner violence. Most provide supports to their renters either directly or indirectly through external partners.

Data were collected in the late summer and fall of 2021 through semi-structured interviews conducted mostly virtually. Interviews took approximately 45 minutes to one hour. Participants were asked if they could be recorded and interviews were transcribed verbatim.

The semi-structured interview consisted of three parts and included mostly open-ended questions. These pertained to basic information about participants and their organizations, participants' recent experiences securing support for the development of new affordable housing from different levels of government, and participants' opinions and/or recommendations to support future housing programs in their regions. The full list of interview questions was provided in advance of the interview for participants' reference and preparation. Ethics approval was obtained from the lead author's research ethics board before data collection began.

Data were analyzed using thematic analysis. Steps included familiarization with the data by reading and re-reading transcripts, generating initial codes, discovering themes in the data based on the codes generated, and reviewing and naming the themes (Braun & Clarke, 2012).

This research has some limitations. First, the generalizability of findings is somewhat limited as participants represent three regions instead of the entire country, meaning their views are not representative of organizations working in all regions of Canada. Further, they do not reflect the experiences of Band Councils and affordable housing development in First Nations communities. Second, also related to sample size, the authors are not able to analyze data based on characteristics of nonprofit housing providers, such as size or age of the organization. Third, the quality of interviews may be impacted as community housing organizations are currently facing strain and burnout due to COVID-19 and the fallout from a severe lack of affordable housing in their communities.

FINDINGS

Administrative challenges

Proposal development

Proposal development was described as being very labour intensive and time consuming, in particular for federal government support. It was noted that the RHI required much work to be done within a short period of time; for example, the executive director of a small housing organization stated, "they did attempt to streamline the process and make it a little easier to make it more rapid, but its process ended up being quite lengthy and quite involved. I mean 32 attachments to a file application are quite a lot, and a lot in there are pretty detailed." (Participant 13). The executive director of a mid-sized housing provider also agreed that the RHI requirement of "break[ing] ground and be[ing] built within 12 months" (Participant 5) put pressure on housing organizations as well. Participant 3, who

is a senior staff person of a mid-sized organization with a long history of housing development, stated, "I don't know how the nonprofit sector is supposed to get all of it together, or how we're supposed to respond to these rapid [initiatives]. There's not a lot of lead time, and then they announce it and then they want you to have your expression of interest in within a few weeks … . We need more warning, we need more lead time so we can put projects together, meaningful projects." Similarly, proposal development for the federal Co-Investment Fund was noted to be extensive. For example, Participant 13 noted, "it's quite lengthy and it took quite a lot of work," while Participant 6, a manager of an organization focused on development, remarked, "of all of the funding applications I've been a part of over the last ten years, I've never encountered one that long."

Communication

Participants noticed a lack of clear communication on the part of funders, which brought more barriers for application preparation and which increased workload, projects costs, and the length of time it would take to develop a project. Some of this lack of communication was described as general in nature. Participant 2, a senior staff person of a mid-sized housing organization, noted, "CMHC is very closed with it. You can ask for an interpretation or direction, and they don't typically give you interpretation or direction. They make you just submit and then they deny you and tell you why they've denied you, and then you have to resubmit. It's very slow." For larger funding programs, nonprofit staff reported feeling nervous and confused at the beginning of the proposal process, as they were not always sure where they should go next. A housing manager of a small-sized organization said, "Communication wasn't great at the beginning, and that didn't help with … what we did to move forward. I think we could have moved forward faster" (Participant 8). They further elaborated, "It was a bit difficult to get answers from them at the start and when you're in the midst of a program or project like this and the scale of it, having at least some communication as to our potential of getting funding from the National Housing Co-Investment Fund would have been nice, just because then it helps us understand the scale."

Relatedly, some participants noted there seemed to be a lack of information and transparency on the part of provincial and federal governments related to program specifics. One such specific concerned the timing of proposal calls; for example, Participant 2 stated, "It's not really transparent, there's no set schedule of when the request for proposals come out, so it makes it difficult for us to plan and respond to community needs in any kind of really meaningful way." Besides the lack of launch dates for funding initiatives, other common problems mentioned during the interviews were lack of details regarding the priority areas for new funds (including types of tenants and specific regions of the country or within provinces being prioritized by different levels of government), and the amount of funds available. Participant 7, the executive director of an organization involved in housing development with a range of community partners, explained that when "they said 'this fund is different, it has no minimum, and it has no maximum,' we felt very empowered to take a different approach, including with the solar infrastructure, asking for $65,000 per unit. And then when we had our review with the project officer, they said 'we're looking at giving out $20,000 per unit.' But that wasn't mentioned anywhere in the application guidelines, and so I think that was disappointing to know that in their minds they have a number, and they weren't willing to share that."

Reviewing

Once proposals were developed and submitted, most participants reported lengthy time periods required for review on the part of the federal government. Among all participating organizations in this research, more than half of them indicated that they experienced up to a year to go through all the stages from beginning to end for federal applications, one-third of them indicated a longer time frame of up to two years, and the rest indicated an even longer length of time. Some participants stated that application approvals that take less than a year is a rarity for CMHC and noted that since RHI applications can get approvals within 90 days, that should set a new target for the federal government. As Participant 8 noted, "hopefully RHI sets a new standard for how fast a project can actually move forward and be successful."

Participants brought up different reasons to explain this long review period, the first one being the lengthy and detailed requirements mentioned earlier. Second, there was much back and forth to revise and/or add different content, with the executive director of a medium-sized housing provider observing, "Every time you met their criteria, some lawyer or some accountant would look at it, who knows nothing about construction, and then put up more need for documentation, which meant more consultants and more money. And then the ballooning costs were incredible, and the time added was huge" (Participant 9). In addition, Participant 6 commented, "They talk a great story, and they want to see a lot of affordable housing, and we presented them with a project … and they really got excited when we first dealt with them. But when it came time to start writing cheques and sharing money, they kind of became very slow at decision making."

Program content

Prescribed terms

Many participants noted that there was a lack of flexibility on the part of federal and provincial funding programs, both with respect to what nonprofits are required to provide in funding applications and the ability of these organizations to access funds to support local housing needs. With respect to the former, and as an example, Participant 7 noted that they were required to have the architectural design resources to do an application that they would not have spent money on if it was not a stipulation: "You've got to get everything on this checklist whether you need it or not to be eligible for the next round of seed funding … . It's not sort of tailored to the specific project's needs." They also gave an example of a scoring grid that organizations needed to fill out related to proximity to amenities and services where the questions are "designed for a very urban place" and did not fit regions that lack density, and which led their application to receive a much lower score than if they were doing this same project in an urban centre.

As far as what is eligible for financial support, several nonprofit organizations described that their local housing needs were not being well met by new funding programs. Participant 15, a housing practitioner who has been involved with affordable housing and community development programs in various capacities, commented that the government's job is to make their funding plans fit housing providers' programs rather than the opposite approach that is being taken right now, especially for communities that have distinctive needs, noting, "there isn't a lot of flexibility for creativity in how a community responds to its own housing crisis." They further stated, "Of course, funding has to have mechanisms for accountability and transparency, it has to be able to show re-

sults. But it can't be one size fits all either and I'm not saying that it is completely one size fits all, but there are inflexibilities in the system for sure." Participant 9 noted that although they had significant work that needed to be done to their portfolio of existing, aging housing stock, "We have no money to do what we need to do. The federal program does not address this." Participant 14, the executive director of a small housing initiative, said that despite the backgrounds of the tenants they assist, obtaining funds was a barrier given that "the province has said no to me several times, that they would not fund anything for veterans. They said veterans are a federal priority, and not a provincial priority."

Amount and nature of support

Several participants noted that the financial support available through different levels of government was limited. One issue noted was that the amount of funds available is not keeping pace with inflation and construction costs, especially for non-repayable contributions. Participant 7 noted, "Seven or eight years ago, [the province's] contribution would have been $40,000 or $50,000 and the cost to build a unit would have been $120,000. Now their contribution is $50,000 and our cost to build a one-bedroom unit is $200,000 and a two-bedroom unit is $320,000. So, they've gone from being 1/3 of the cost to 1/4 of the cost, so I think that if the province could increase what they're willing to provide up to $60,000 or $65,000 per unit, I think that would make a huge difference." Costs related to requirements around accessibility and energy efficiency of units was also not adequately considered by funders in the opinion of some nonprofit stakeholders; for example, a director of a medium-sized housing association mentioned, "there is a disconnect between the demand, what they want, and what they want to pay for. So, the best way I can relate this as they demand that you build a Mercedes of a building. But then they want to pay for a Kia" (Participant 4).

Funds were also noted to be required for on-going operating costs of the housing that was being built through the initiatives nonprofit sponsors were applying for, not just for bricks and mortar. Participant 10, the executive director of a large housing association, noted, "There's zero operating funding," while Participant 2 noted, "Not only do we need the one time capital subsidy for the purchase and construction or renovation of the housing, but we also need an ongoing operating subsidy … the one time capital subsidy is not sufficient. It's necessary, but not sufficient. We need also some ongoing operating subsidy to really make this thing make affordable rental housing sustainable for us." Further, supports were needed for tenants to foster their well-being and augment low-incomes. As Participant 2 noted, "The issue is, how do you resource that kind of work, that support? There's not enough. We can't really take it out of the … rental revenue [because it] does not provide enough income, it just basically covers the costs of providing the housing and so the costs of supports are always, we always have to be cobbling that together by applying for a grant here and there and it's never sufficient and it's never sustainable." Participant 4 admitted, "There isn't enough provincial support dollars for those individuals, which, as I said, comes at a cost for the housing providers."

Many participants identified that the focus on lending versus grant-making was problematic. Participant 11, a director of a large housing organization, stated, " … the biggest issue we have is that most of the programs are loans." Even though it was noted that the loans provided have some other features such as low interest, long amortization, or even forgivable components, "there's just

not enough equity in this full stop." For example, one organization said they had leveraged all their assets for a program and, at the end of the day, they received $30 million for the next 10 years while only 2 percent of it is a grant and the rest is a loan, which forced them to put the project on pause: "They're not giving money away for housing. They're loaning money for housing" (Participant 9).

Most of the participants have indicated that the overall funding support from either provincial or municipal government is limited; for example, Participant 8 stated, "That's just the nature of municipal funding, that there's only so much money to go around." Participant 1, a senior housing specialist with a medium-sized housing organization, said that they had to reduce their asks for funding amounts per unit as there was less funding than there used to be, and also they were forced to serve fewer tenants than they would like to: "Because governments have limited funding and they're splitting the funding pot, they limited [that] funding pot among more groups and units … I don't think more units are being delivered, I just think there's limited funding." As a final example, Participant 2 noted that although their municipality did make some contributions to their housing projects, including providing a forgivable loan and a tax abatement for a period of five years, additional contributions would help make their housing projects more sustainable, including lengthier abatements and covering local and unplanned development costs such as fire hydrant installation and mitigation measures for runoff.

Working across different levels of government

Almost all research participants noticed gaps between different levels of government, which they indicated made it even harder to secure funding and which also put them in positions where they had to act as brokers and coordinators. Participant 1 summarized this problem with the following statement: "I think when the programs are developed, there's not a strong understanding of the requirements of the upper-level governments' funding. For example, I know that when a local level of government develops their own local housing program, although they know what federal programs are being offered, they don't know how they work." Participant 13 stated, "They will always ask about the funding from the other level of government and whether or not we've inquired about it and with the RHI application we very much had the federal government and the provincial government on different pages in terms of what they felt was a reasonable commitment, and so in that sense, they are both pointing at each other, and there's a gap, there's a miscommunication there."

Having municipal and/or provincial governments participate in projects is key for housing organizations to be able to work with the federal government and get financial support. However, participants indicated that they had often experienced that every level of government wanted to see another level of government come on board before they joined the project. "But it's always a standoff," Participant 2 argued, "because they won't come on board until somebody else is on board and they all say the same thing … . It's impossible to get them on board at the same time, it just is. It's not the way the intake processes or applications work for housing." Participant 7 gave a more detailed explanation of the processes as follows: "It's this dance of trying to get these two levels of government to be patient enough for the other one to come along. The province may say you don't have your financing lined up, you're not going to get any funds and then in six months may say your federal financing application has been approved, but since you've lost your provincial funding you're no longer eligible for financing. I would suspect there's a point down the road at which we'll have

everyone on a call for a conversation, but at this point that makes our likelihood of success feel precarious, since each [level of government] could point to us as not having the other piece confirmed in time."

Related to this theme is that several participants noted that they would like to see municipalities more involved in support for affordable housing. As one participant noted, even though the bulk of funding must come from the federal and provincial governments, "the municipality is part of the ecosystem of governance and quality of life and could be [providing] the grassroots leadership rather than 'plead poverty all the time' and 'piggyback off of what's approved by the province'" (Participant 15).

Private, for-profit development

Several participants reflected that current programs that support new affordable rental housing through both the nonprofit and for-profit sectors were problematic. For example, the Rental Construction Financing Initiative (RCFI), which has the slogan "low-cost loans encouraging the construction of sustainable rental apartment projects across Canada" (CMHC, 2020), has similar rates and terms on the loan portion compared with the Co-Investment Fund. However, Participant 10 mentioned, "the requirements placed on private sector developers through RCFI are almost laughable when it comes to affordability compared to what's being put in place for nonprofits. I mean, I think that's out of balance, and [so] either ask them to do something closer to what we're doing or stop offering them such cheap mortgages." Under the minimum 10-year affordability term and the requirement that 20 percent of the units have rents below 30 percent of median household income, one participant pointed out, "If I was a developer with a ton of money, and I wanted to get low interest … I can build a building and only ensure affordable housing for 10 years or so. Many units of affordable housing are 30 percent of the median income, which in [name of city] right now would put a 3- or 2-bedroom at $2400 a month, which is not affordable for me, so that's not affordable" (Participant 9).

Participants raised a common concern that private developers can simply raise the rent back to market levels, or sell the units when the affordability term ends, as the primary mission of a for-profit organization is to make profit. This will force renters to move out and seek other affordable units, at which time the pressure is placed on third sector housing organizations once again. Participant 10 stated that she saw that aggressive private developers had already "figured that formula out pretty quick and have had hundreds of millions of dollars in low-interest loans." Participant 14 commented, "They're creating a problem that's going to come back and kick everybody in the head in 10 years' time. And it's going to be not-for-profit affordable housing providers who are going to be left holding the bag where suddenly housing waitlists skyrocket because everyone is losing their housing. There's no rentals in the market [to] take care of it. So it's not that long term approach, it's not [a] people-first approach, it's [a] profit-first approach."

Participant 14 also pointed out that the RCFI has positioned private sector developers as "the knight in shining armor" that both the state and nonprofit sectors needed to work with, willingly or not, and taxpayers' money gets funneled to them. Although participants noted that the criticism is not always universally true about all private developers, and there are ones who are trying to help the

community, "they do their stuff well because it sells, but the levels of affordability also don't even come close to what is needed in the community."

DISCUSSION AND CONCLUSION

This research examines the experiences of nonprofit housing providers as they have worked to secure support for affordable rental housing development in three regions of Canada, using the framework of government–nonprofit collaboration to do so. Overall, although the National Housing Strategy has been much lauded as a new period of government investment into the affordable housing sector, findings demonstrate that nonprofit providers face many hurdles in applying for and securing support. As a result, while the pandemic has shone a spotlight on the role of housing in supporting well-being and drawn attention to "building back better," (CCPA-NS, 2021), as stated earlier, nonprofit providers in this research have struggled to develop projects at all.

Administratively, findings show that many funding programs, and in particular those at the federal level, impose significant barriers in terms of proposal development and approval, resulting in government impacting the very ability for nonprofit organizations to engage in collaboration. These overlap with research conducted on the nonprofit sector more broadly, which identifies that organizations are required to spend much time completing lengthy funding proposals, and this at the expense of delivering programming (Eakin & Graham, 2009; Kemp, 2016). One recommendation is to make available housing development resource groups to deliver technical and proposal development assistance, as were available in a previous era of federal involvement in affordable housing (Suttor, 2017). Others include reviewing all administrative requirements to remove any extraneous supporting documents, and to provide clear information to project proponents at the outset about funding amounts available and any other guidelines and obligations impacting approval success. Related to this, shortening the review stage so that decisions are made as quickly as possible (such as with the RHI) would allow organizations to move more quickly from project feasibility and predevelopment to construction.

Data also show that more flexibly is needed for project proponents so they can best address housing need based on their local community and organizational contexts. This again is consistent with extant research on the nonprofit sector in general and constraints imposed by funders (Eakin & Graham, 2009), and goes against one of the reasons why the state is thought to partner with the third sector to begin with (Salamon & Toepler, 2015). Based on interviews, this includes creating different scoring systems and requirements for urban and rural providers, and being more accommodating regarding priority groups and priority geographies for affordable units. Housing organizations also expressed needing to make urgent repairs to existing properties, signaling the need for more targeted and expanded programs specifically for current affordable stock. Given the slow progress in building new nonprofit housing, this would also help stem the loss of existing affordable units, particularly critical in this era of tremendous housing need.

This research also highlights the financial challenges that nonprofit providers experience in building affordable housing, and the mismatch between both the level and kind of financial support available and the goal of third sector providers in supporting marginalized tenants by keeping rents low. While one of the purported benefits of government-nonprofit collaboration is that the latter sector

is able to draw upon the substantial resources of the state, more grants and non-repayable loans from higher levels of government are in fact required for successful partnerships. Beyond this, flexibility is needed on the part of funders so that greater financial support can be provided as costs change; although building costs have been rising since the start of the pandemic, increases that have taken place since interviews were conducted make this recommendation even more urgent.

Another major issue that emerges from the findings is the lack of coordination on the part of different levels of government in terms of developing and delivering programs and offering support for projects. Nonprofits are therefore additionally burdened not only with arduous application processes but with acting as go-betweens and key informants, and projects may be jeopardized while one level of government waits for another to sign on to a project. Development would be facilitated if applications were not dependent on contributions from different levels of government, if funders would accept in good faith that commitments are forthcoming, and if the provincial and federal governments could jointly discuss and review proposal development and funding decisions. As it currently stands, affordable housing development in Canada is a prominent example of dysfunctional federalism.

Data also reveal an unequal playing field between nonprofit and for-profit developers and suggest that governments have perhaps superficial commitments to working with the nonprofit sector in particular. Although the original intention of governments may have been to encourage private developers to become more involved in affordable housing to increase overall stock available, both their requirements and thresholds are comparatively easy to fulfill compared with what is asked of third sector housing organizations. While these injections into private rental housing development may bring some short-term relief to housing markets, particularly for middle-income households in need of rental housing, without fixing the fundamental problem of leveling the playing field for third sector providers, governments risk losing new rental housing stock once agreements with these developers expire, as well as supporting rental markets in which those most in need of deeply affordable units are left out. In the context of housing being recognized as a human right federally and grassroots rights-based movements occurring within other jurisdictions (CCPA-NS, 2021; McIsaac, 2019), all governments need to level the playing field but also consider focusing more specifically on the third sector in the provision of housing.

The budget announced in 2022 provides hope that improvements will be made to federal housing programs, which will address some of the issues identified in this research; these include some funds to be targeted specifically to cooperatives within the federal Co-investment Fund as well as the launch of another round of RHI development (Government of Canada, 2022b). Research conducted for the National Housing Council that points to shortcomings of funding programs administered by the federal government (Blueprint ADE & Wellesley Institute, 2022) and advocacy done by sector-based organizations may also lead to change (Canadian Housing and Renewal Association, 2022). Affordable housing development must be watched carefully in the next few years if Canadians want to avoid a worsening housing crisis and an increase in the number of those living at risk of homelessness.

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Le mouvement communautaire québécois : plus on est de flou …

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ABSTRACT

This article reviews some of the literature devoted to the "Québec community movement" (QCM) through a two-tiered reading. For the first tier, we propose a generic definition according to which the community movement is a heterogeneous set of mobilizations aimed at challenging the state's claim to a monopoly on the collective treatment of social reproduction. Then, for the second tier, we begin by questioning the objective of QCM as such in order to draw attention to the plurality that it covers. We then turn to Québec community studies, to highlight the gap between practical and theoretical approaches as well as an intellectual isolation that bears some similarities to the study of urban social movements.

RÉSUMÉ

La présente réflexion entend revenir sur une partie de la littérature consacrée au « mouvement communautaire québécois » (MCQ), avec une lecture en deux étapes. Nous proposons en premier lieu une définition générique selon laquelle le mouvement communautaire serait un ensemble hétérogène de mobilisations visant à contester la prétention étatique au monopole du traitement collectif de la reproduction sociale. Puis, en second lieu, nous interrogeons dans une première partie l'objectif du MCQ en tant que tel, pour mettre en évidence la pluralité qu'il recouvre. Dans une seconde partie, nous nous tournons vers les études communautaires québécoises, pour souligner le décalage entre les approches pratiques et théoriques et un isolement intellectuel qui n'est pas sans rappeler les études du mouvement social urbain.

Keywords / Mots clés : community-based, literature review, collective action, social policies / communautaire, revue de la littérature, action collective, politiques sociales

INTRODUCTION

Les mobilisations et actions communautaires au Québec sont un objet pour le moins paradoxal : en dépit d'une présence massive et structurelle auprès de l'État social québécois, elles constituent une réalité si fuyante qu'elles ne disposent pas vraiment d'un label consensuel. Leur réalité est pourtant imposante : en 2021, le ministère de l'Emploi et de la Solidarité sociale décompte ainsi pas moins de 8000 organismes communautaires au Québec, dont plus de 5300 ont été financés pour un montant total de plus de 1,5 milliards de dollars (Secrétariat à l'action communautaire autonome et aux initiatives sociales, 2022). Pour autant, la diversité et le flou semblent régner quant

à la définition du communautaire, sa variété interne ou même son appellation, très variable.[1] Le terme lui-même n'est pas évident puisque, à bien des égards, poser la question « du » communautaire est déjà suggérer *a priori* une solide réalité à un objet fragile, présupposant à la fois une unité, une dynamique d'organisation, un principe ou un cadrage (la communauté) et un espace (le Québec). Mais l'inverse n'est pas plus pertinent : peut-on vraiment ne pas prendre en compte cet air de famille qui relie toutes ces mobilisations et tous ces organismes sociaux, par-delà leur pluralité et diversité, dans un rapport difficile avec l'État autour de l'enjeu du traitement communautaire des problèmes sociaux sur le territoire?

Cet article propose donc une relecture d'une partie de la littérature sur le « mouvement communautaire québécois », autour d'une réflexion combinant deux niveaux : une réflexion sur *le mouvement communautaire* lui-même, pour mettre en évidence la pluralité à laquelle aboutit la littérature qui s'y consacre, et une réflexion plus épistémologique portant sur *la littérature* du mouvement communautaire, pour suggérer que la définition de celui-ci puise autant à son dynamisme propre qu'à une sorte d'échange inégal avec les sciences sociales québécoises, qui le structurent volontiers sans que lui-même ne les nourrissent fortement. Concrètement, la réflexion sur le mouvement communautaire sera guidée par ses définitions québécoises, entendues comme l'ensemble des mobilisations contestant le monopole étatique de la question sociale ou, plus précisément, un ensemble hétérogène de mobilisations plus ou moins organisées visant à contester la prétention étatique au monopole du traitement collectif de la reproduction sociale (Bélanger et Lévesque, 1992; Jenson, 1993). La réflexion sur la littérature du mouvement communautaire québécois (MCQ) sera pour sa part inspirée par le débat sur Mouvement social urbain, qui a souligné que ses postulats initiaux trop ambitieux n'infirmaient pas l'intérêt d'un champ scientifique dynamique et original, unifié par des valeurs fortes (et souvent très critiques) et un questionnement heuristique et éthique exigeant sur les enjeux de l'urbanité.[2]

À la suite de travaux québécois classiques (Hamel, 1991, p. 29), le croisement de ces deux postures nous paraît heuristique pour aller au-delà du « flou », qui donne souvent des apparences de simplicité et de solidité à des ensembles complexes et dynamiques. Dans une première partie, nous reviendrons sur la diversité des définitions proposées et sur celle des enjeux portés par le MCQ pour rappeler la difficulté à aboutir à une vision commune de l'objet. Dans une deuxième partie, le regard se portera sur le champ des études du mouvement communautaire, pour constater que son originalité puise autant à son dynamisme qu'à son isolement. En conclusion, nous proposerons quelques prolongements possibles pour fixer des dimensions importantes du mouvement communautaire.

LE MOUVEMENT COMMUNAUTAIRE QUÉBÉCOIS : PLUS ON EST DE FLOU …

Le mouvement communautaire québécois est un objet passablement singulier. À égale distance de la sociologie de l'action collective et de celle de l'action publique, il incarne une mobilisation organisée autour du traitement des enjeux de la vie en collectivité. Cette définition est à la fois évidente (peu de textes la questionnent et, si elles le font, ce sera souvent selon des perspectives très différentes) et problématique : une fois cette première définition posée, sa réalité devient bien plus diversifiée qu'il n'y paraît en première analyse, du fait de la pluralité des définitions proposées dans la littérature, mais aussi de la diversité intrinsèque de son objectif (traiter les « problèmes sociaux »).

C'est en ce sens que nous qualifions de « flou » le champ d'études cristallisé autour de ces définitions, qui sont souvent diversifiées, non étanches et de pertinence potentiellement très étendue.[2]

Une définition impossible?

En première lecture, la littérature consacrée au MCQ apparaît comme éclatée, avec des définitions et des typologies différentes parce que fondées sur des paramètres multiples et hétérogènes. Une première grappe de définitions se centre ainsi sur « l'action communautaire », entendue comme micro-activité auprès des communautés. Certains parlent ainsi d'un type d'intervention collective, que ce soit une activité professionnelle de soutien à l'action collective en matière de développement et de résolution de problèmes sociaux (Lachapelle et Bourque, 2020; Comeau, Bourque et Lachapelle, 2018) ou une pratique ou méthode spécifique d'intervention communautaire (Lamoureux, Lavoie, Mayer et Panet-Raymond, 2008; Comeau, 2012). D'autres préfèrent mobiliser la notion de « métier du développement » pour montrer la diversité des compétences génériques et spécifiques nécessaires à l'action communautaire (Robitaille, 2006, 2016). Sur cette base, diverses typologies de l'action communautaire sont suggérées, visant à ordonner le MCQ en sous-univers de pratiques différenciées par la formalisation d'une expertise professionnelle ou d'un métier (voir notamment les typologies convergentes de Bourque, Comeau, Favreau et Fréchette, 2007 et Lamoureux et al., 2008, qui témoignent de la place ambiguë du développement local ou territorial). Ces définitions microsociales se prêtent particulièrement bien aux approches les plus professionnalisantes du MCQ.

Une seconde grappe s'oriente plutôt vers une approche macrosociologique du mouvement communautaire, soit pour réaliser le tour de force d'en proposer une image d'ensemble (Depelteau, Fortier, Hébert et Langlois, 2013) ou en suggérer une analyse globale (Berthiaume, 2016; Berthiaume, Bergeron-Gaudin et Gaudreau, 2022), soit pour souligner certaines tendances structurantes (et en particulier l'articulation avec l'État : Jetté, 2008; White, 2001, 2019; Bourque, Jetté, 2018). Parmi ces approches à portée globale, certaines lectures souvent stimulantes soulignent les dynamiques génériques qui touchent l'ensemble du mouvement communautaire—souvent au prix de constats empiriques généraux et de principes abstraits qui perdent en précision ce qu'ils gagnent en extension, selon une logique de montée en généralité abrupte rendue délicate par la diversité même des milieux communautaires (Lamoureux, 2010). D'autres utilisent les analyses des politiques d'institutionnalisation du mouvement communautaire comme des sortes de « carottes » analytiques, qui explorent finement des portions du mouvement, par exemple la constitution de politiques transversales très ambitieuses (autour des politiques de santé [Jetté, 2008], de l'économie sociale [Arsenault, 2018]) ou de segments aux actions plus modestes, avec l'introduction de politiques de reconnaissance des groupes autonomes [White, 2012] ou l'ensemble très important de travaux sur des enjeux spécifiques [Dorvil et Mayer, 2011]). Ces approches se prêtent généralement à une lecture plus théorique ou critique de l'action communautaire et de ses rapports à l'État.

Mais ces deux approches sont plus complémentaires qu'opposées : la première s'appuie souvent sur une analyse historique du mouvement communautaire (Lamoureux et al., 2008; Lachapelle et Bourque, 2020) et la seconde puise à des cas empiriques concrets pour documenter les dynamiques structurantes du monde communautaire (par exemple, les CLSC [Jetté, 2008] ou la santé

mentale [White, 2019]). Elles partagent l'enjeu de l'équilibre à trouver dans l'étude d'un objet aussi complexe que le mouvement communautaire, entre fondement empirique et montée en généralité. Une piste possible en ce sens serait de changer la focalisation, en associant la lecture par le haut (la « régulation de contrôle » qui fait des organisations communautaires des objectifs des politiques publiques) à la lecture par le bas (la « régulation autonome » que construisent les organisations communautaires dans leurs actions quotidiennes) pour les articuler autour de la « régulation conjointe » (Reynaud, 1988).

Des causes infinies?

La diversité du MCQ tient aussi à celle de son objectif, avec des problèmes sociaux ou des « causes » dont le flou autorise une entrée par des thèmes et secteurs d'activité très différents. Ainsi, les problèmes thématiques traités par les organismes communautaires sont très différents—ils renvoient à l'infinie variété des causes portées par les organismes communautaires et plus ou moins reconnues par l'État (sur ces transformations, voir Dorvil et Mayer, 2001). Retenons ici un classement succinct.

Ils peuvent d'abord renvoyer aux différentes facettes de la question sociale, allant des risques sociaux traditionnels (lutte à la pauvreté [Tremblay, Tremblay et Tremblay, 2006; Ulysse et Lesemann, 2007] ou santé publique et communautaire [Jetté, 2008]) aux questionnements plus récents témoignant des nouvelles dimensions des luttes pour l'émancipation sociale (organisations féministes [Masson, 2012] ou intégration des personnes immigrantes et lutte antiraciste, etc.). Les organisations communautaires peuvent aussi traiter des enjeux du développement communautaire (Savoie, 2000; Favreau et Lévesque, 2000; Comeau, 2001), ou de ses variantes plus strictement spatiales, qu'elles soient locales (Joyal, 2002, 2012), rurales, ou territoriales (Jean, 2012, 2020). Cette diversité thématique se reflète aussi dans la diversité des secteurs sociétaux d'intervention (la question sociale relevant des organisations communautaires et la question économique de l'économie sociale et solidaire [Lévesque, Mendell, 1999]) ou, plus prosaïquement, dans le secteur des politiques publiques, qui permet souvent de distinguer le halo des organismes autonomes (White, 2001) du noyau dur bien plus structuré (Santé et Services sociaux [Bourque et al., 2007] ou Éducation [Hamel, Jouve, 2008]), ce qui débouche sur une distinction entre « deux filières majeures d'emplois en organisation communautaire que sont les réseaux public et associatif » (Comeau, Duperré, Hurtubise, Mercier et Turcotte, 2007, p. 73). Enfin, insistons sur le fait que le label « communautaire » est par définition inépuisable, puisqu'il est utilisable par toute mobilisation locale prétendant à défendre les intérêts collectifs d'une localité/communauté : mouvements citoyens (Patsias et Patsias, 2006), mouvements urbains (Germain, Morin et Sénécal, 2005), contestations et mouvements territoriaux (Tremblay et Fournis, 2016), etc.

Ces différentes couches des « problèmes sociaux » traités par les organismes communautaires témoignent de la multiplicité des équilibres atteints entre les revendications portées par les mouvements sociaux et les solutions proposées par l'État par des politiques publiques, puis de la sédimentation historique sous la forme d'un tissu reliant État et mouvement communautaire. À bien des égards, ceci rappelle la difficulté à penser les causes de ces mouvements coincés dans l'entre-deux entre le mouvement ouvrier et les « nouveaux mouvements sociaux » (NMS)—comme le mouvement social urbain, organisé sur des enjeux trop éloignés du monde du travail pour être

« ouvrier » mais un peu trop « vieux » pour la littérature sur les NMS (Pickvance, 2003). Mais il serait en tout cas très intéressant de repositionner cette construction État/communauté des problèmes sociaux dans la littérature sur les rapports historiques entre mouvements et États. Nul doute que l'action des organisations communautaires représenterait une catégorie heuristique entre les arrangements liés au bien-être et ceux liés à la bureaucratisation de la société (Cattacin, Giugni et Passy, 1997), comme l'indiquent les travaux soulignant l'hybridation croissante des logiques bureaucratiques et communautaires et le jeu politique qu'ils permettent, autour du fonctionnement, des types de financement, etc. (à ce sujet, voir notamment Paumier, 2022).

LE CHAMP DES ÉTUDES DU MCQ : LES PARADOXES DE L'AUTONOMIE

Si le MCQ est complexe, traversé de divisions majeures et uni par de grands paramètres, le champ d'étude présente un peu les mêmes traits : les études communautaires québécoises, unifiées par des principes aussi généreux que généraux, prennent une forme composite, qui témoigne d'un décalage entre les approches pratiques et théoriques envers leur objectif et d'un isolement qui n'est pas sans rappeler les constats tirés des études du Mouvement social urbain.

Un champ d'études dynamique et novateur

L'analyse du MCQ partage une part des qualités et défauts des travaux sur le mouvement social urbain (Pickvance, 2003; Mayer, 2006). Elle s'est développée pour rendre compte de l'échec des politiques de développement à visée d'intégration des années 1960 (restructuration urbaine et développement régional) et a rappelé la nécessité d'inventer une analyse du mouvement communautaire en mesure de saisir le rôle moteur des conflits (globaux ou locaux) dans la lutte pour la reconnaissance et le traitement collectif des problèmes sociaux. Il s'agit donc d'une analyse qui est en rupture avec une sociologie consensuelle. Cette rupture présente des avantages et des inconvénients.

Parmi les avantages, le plus évident est qu'il existe un consensus à la fois vague et général quant aux paramètres de base du MCQ qui puisent à sa triple origine. Les deux premières relèvent de l'histoire communautaire américaine, avec la tension entre le courant conflictuel à la Saul Alinsky (Shragge, 2006) et le courant consensuel à la Murray Ross (Bourque, 2008). À cette histoire américaine, le Québec a ajouté la tension structurante entre État et société civile (par exemple, Bergeron-Gaudin, 2019), qui s'est traduite par une trajectoire de professionnalisation et d'institutionnalisation croissantes (Bélanger et Lévesque, 1992) sous la pression incessante de réformes néolibérales (Lévesque, 2005). Cette double tension (consensus/conflit d'une part, mobilisation/État de l'autre) est au cœur même du mouvement communautaire québécois, et a généré un corpus de littérature original, propre au Québec, à la fois pertinent socialement (avec une forte dimension de recherche appliquée et de proximité au milieu), très dynamique pour ce qui est de la recherche (avec des revues comme *Nouvelles Pratiques sociales*, des manuels propres et des débats internes, etc.) et stimulant intellectuellement (dans une tension entre des notions à grande extension [Bourque et al., 2007] et des noyaux conceptuels plus restreints).

Toutefois, la littérature souligne aussi des inconvénients de ces logiques de constitution d'un champ d'études. Quelques angles morts concernent le MCQ lui-même et témoignent d'une certaine forme de déradicalisation du mouvement, où l'usure de ses mécanismes originels conduirait vers des logiques de plus en plus consensuelles et para-institutionnelles, avec notamment : la dis-

parition du conflit; la place ambiguë du pouvoir et des inégalités structurelles (genre, race, etc.); l'évaporation structurelle des finalités de changement social sous la pression d'exigences de pratiques (Berthiaume et al., 2022); la dénonciation ritualisée et formelle d'un *deus ex machina* (néolibéralisme, démission de l'État), etc. À ceci s'ajoute ce qui est peut-être une spécificité québécoise : la complexité singulière d'un champ liant action collective et secteurs de politiques publiques de manière contradictoire, avec des mécanismes lourds chargés de générer un ordre négocié. Il en va ainsi des politiques descendantes (notamment en matière sociale et d'enseignement), mais aussi de la concertation, qui vise à insérer les organisations dans le champ communautaire, au prix d'un usage systématique (l'hyperconcertation) aussi chronophage que centrifuge (faute de pilotage global et de stratégie de territorialisation) et démobilisateur (épuisement des ressources et professionnels, désincitation des amateurs et citoyens, etc.) (Bourque, 2008).

Encore une fois, ces tendances sont très proches du Mouvement social urbain, dont les forces ont été fragmentées par un mélange d'institutionnalisation et de néolibéralisation et face auquel l'État tente de garder la main en se réappropriant les catégories militantes (Mayer, 2006). Pourtant, il y a peut-être là quelque chose de plus, du fait de la multiplicité des entrées disciplinaires sur MCQ : tout se passe comme si la vocation appliquée des approches disciplinaires dominantes en la matière poussait à une approche plutôt inductive. Certaines disciplines font ainsi du communautaire un objectif majeur—notamment le travail social, qui a entrepris des travaux considérables parce que vitaux pour la discipline (Bourque et al., 2007), ainsi que les travaux autour de l'économie sociale, qui sont devenus catalyseurs dans les études communautaires après 1998 et où les enjeux du monde du travail, des conditions de vie et du développement local relèvent d'un même « système d'innovation fondé sur la concertation » (Klein, Fontan, Harrisson et Lévesque, 2014). Ce sont essentiellement ces approches qui ont produit un courant original très dense sur les organisations communautaires (pour des résumés succincts, voir Doré, 1985; Bergeron-Gaudin, 2019; Berthiaume et al., 2022) ou, plus rarement, c'est l'utilisation de concepts tirés de la littérature sur la mobilisation sociale (Klein et Tremblay, 1989), associative (Jetté, 2017) ou citoyenne (Mercier, Bourque et St-Germain, 2009) qui ont contribué à produire ce courant original. Il y a ensuite les approches qui y font des apports moins systématiques et pour lesquelles les organisations communautaires relèvent plus d'un domaine connexe (études régionales, sociologie du développement [Robitaille, 2016], etc.). Enfin, certaines approches proposent des travaux stimulants mais isolés, qui les empêchent de structurer pleinement le champ (sociologie des politiques publiques [White, 1994], philosophie [Vibert, 2007], science politique, etc.). Soulignons notamment ces quelques travaux qui mobilisent des notions et concepts issus de la littérature sur les politiques publiques et l'État (Vaillancourt, 2019; Rochefort, Rosenberg et White, 2008; White, 2019; Paumier, 2022).

De manière générale, le cadrage intellectuel le plus courant est donc centré sur une analyse à portée plutôt empirique ou inductive des mobilisations communautaires, laquelle se prête assez bien à la multiplicité et l'hétérogénéité des définitions et des typologies déjà soulignées. Plus largement, cette analyse favorise aussi des définitions ad hoc et larges du champ, qui permettent de stabiliser un champ d'études autour d'un jeu stratégique de floutage des enjeux. Toutefois, cette réalité puise aussi à une autre caractéristique des études communautaires : l'isolement du champ.

Un champ d'études isolé

Le champ sur le MCQ s'est largement construit dans une logique d'accompagnement des organismes communautaires, où des enquêtes empiriques très riches nourrissaient un effort inductif de montée en généralité, débouchant naturellement sur des conclusions théoriques. Un constat similaire a déjà été fait pour d'autres champs connexes qui, comme le développement régional et territorial (Lacour et Proulx, 2012), doivent à la fois rendre des comptes à un champ scientifique en expansion et à un champ de pratiques moins centré sur le ciel des théories que sur le terrain de la mise en œuvre. La ressemblance entre ces deux types de littérature est d'autant plus évidente qu'ils se sont largement entremêlés depuis les années 1980, notamment dans les travaux de B. Lévesque, H. Dionne et J.-L. Klein à l'UQAR ou à l'UQAC, qui ont documenté le passage d'une logique de confrontation entre les organismes communautaires régionaux et l'État à une logique de partenariat plus fructueuse (Dionne, Gagnon et Klein, 1986; Gagnon et Klein, 1992). Pourtant, il existe une forte différence entre ces deux littératures : relativement minces au Québec, les études régionales se sont systématiquement inspirées d'autres disciplines et de champs académiques étrangers pour se renforcer et aboutir à une approche québécoise à la fois plurielle et empirique. Or, les recherches sur le milieu communautaire au Québec semblent plutôt relever, sinon d'un isolement comparable à ce qui avait déjà été observé quant au mouvement social urbain, tout au moins d'une difficulté à faire fructifier ces apports externes pour générer des hypothèses théoriques fortes. On se souvient que le Mouvement social urbain, au-delà de sa forte ambition théorique, devait son originalité à une coupure avec d'autres champs scientifiques aux objectifs pourtant connexes. Or, à l'exception de CRISES (nous y reviendrons), ce constat de solitude n'est pas sans justesse pour les études du MCQ, avec la nuance qu'il s'agit sans doute moins d'un isolement pur et simple, condamnant au monologue, que d'un échange inégal menant à un dialogue asymétrique.

Rappelons d'abord que ce champ est fondé sur un postulat théorique ferme : les luttes autour des conditions de vie (la reproduction et la redistribution sociales) sont centrales dans la société (le « second front » ou le « contrat social providentiel ») et elles se passent sur une scène politique qui leur est propre, fondée sur un échange politique serré entre les associations et l'État autour de « l'invention du social ». De manière explicite (autour des travaux de B. Lévesque) ou souvent implicite (après tout, est-il vraiment indispensable de justifier la lutte contre la misère humaine?), tous ces travaux rappellent fermement que le MCQ est cet acteur historique qui a émergé des conflits sociaux des années 1960-70 pour relier les luttes économiques (avec les syndicats), les luttes de redistribution (avec les organismes communautaires) et les luttes pour la reconnaissance (avec les NMS ou les nouvelles minorités) (Jenson, 1993). Or, pour des raisons différentes, les études sur le MCQ ont finalement peu incorporé les percées majeures de champs scientifiques connexes.

Revenons sur les deux pôles forts que sont les modalités d'intervention communautaire et l'économie sociale. Les premières restent essentiellement à portée pragmatique, centrées sur la cristallisation d'un corps de connaissances fines sur le fonctionnement d'un champ hyper-complexe et où les pratiques restent encore à normaliser. Les travaux plus globaux n'offrent généralement pas de définition générale du MCQ qui nécessiterait un usage systématique d'autres corpus de littérature (politiques publiques, action collective); ils privilégient plutôt une logique de cueillette d'éléments heuristiques permettant de prolonger des hypothèses préexistantes. Pendant un temps, les travaux du CRISES autour de B. Lévesque ont proposé une redéfinition forte des paramètres

structurant l'ensemble du développement socioéconomique du Québec, mais ils semblent avoir connu une sorte de glaciation autour de 1998-2000, lorsque l'approche large en fonction d'économie politique (sur le modèle québécois de développement [Bourque, 2000]) est laissée de côté pour une approche plus resserrée sur la seule économie sociale.[3] Une telle approche permet une démultiplication des travaux sous des angles particuliers (le territoire notamment), mais sacrifie en partie les liens avec le monde communautaire dans son ensemble, ainsi que la notion de communauté (utilisée le plus souvent comme objet) et celle d'économie politique, le modèle québécois devenant un postulat qui n'est plus à approfondir.[4]

Dans ces conditions et sauf exception, le dialogue entre les analyses du MCQ et les autres sciences sociales québécoises est resté inégalitaire et décevant. Certes, les analystes des organisations communautaires ont pu occasionnellement se nourrir de concepts issus d'autre champs (tels que la théorie de la structuration d'A. Giddens) pour solidifier leur objectif, mais la réciproque a été bien plus discrète : on trouvera peu de propositions ambitieuses susceptibles de bousculer les sciences sociales québécoises, soit en faveur d'un recentrage de ces disciplines sur le communautaire (comme originalité majeure du fonctionnement de la société québécoise), soit en faveur de notions qui auraient permis de nouer des liens avec des objectifs internationaux ou d'autres luttes sociales (avec une montée en généralité du type « droit à la ville » du Mouvement social urbain). Une voie intermédiaire aurait été de nouer des liaisons fructueuses avec des champs proches, mais l'effort n'a sans doute pas été mené à terme, alors même que les organisations communautaires sont indissociables des mobilisations les plus novatrices à la fois dans les milieux ruraux, avec les organismes de gestion en commun (Dionne et Klein, 1982), et dans les milieux urbains, avec les corporations de développement économique communautaire à Montréal (Fontan, 1994).

Et, dans le même esprit, il reste le sentiment que toute la réflexion politique du MCQ a été aspirée par l'enjeu (certes essentiel) du seul rapport avec l'État, privant le milieu d'une réflexion forte sur les dynamiques internes au MCQ, sur les rapports à nouer avec les partenaires externes (quid du pouvoir local?), et les autres mobilisations démocratiques (citoyens, contestations locales, mouvements radicaux)—mais le privant aussi, paradoxalement, d'une réflexion stimulante sur les dynamiques internes de l'État et de ses différentes composantes. Et, de manière générale, il est finalement assez surprenant de constater l'absence d'une contribution significative de la littérature sur le MCQ à la réflexion sur l'intégration des citoyens à une démocratie qui apparaît pourtant en crise.

CONCLUSION

À l'issue de ce bref aperçu, le mouvement communautaire québécois et « sa » littérature semblent partager les traits d'une réflexion originale, à la fois dynamique et isolée. Une part de ce constat renvoie à l'histoire et la trajectoire du MCQ : le champ du MCQ est le produit d'un mariage heureux entre la réflexion critique du structuralisme (post-fonctionnaliste pour ceux qui se centrent sur les problèmes sociaux, postmarxiste pour ceux qui s'inspirent de la théorie de la Régulation) et la théorie américaine de la mobilisation des ressources. La première permet de conserver la finalité radicale malgré l'institutionnalisation du mouvement social, grâce à des notions de gouvernance partenariale et de compromis qui traduisent l'émergence d'un tissu institutionnel contradictoire combinant concertation et contestation. La seconde permet de démontrer que l'action collective, même radicale, exige une réflexion pratique poussée, intégrant les moyens et les ressources, les

modalités techniques et les dynamiques d'entrepreneuriat organisationnel dans un rapport—soulignant, à travers des notions telles que l'*empowerment*, que l'institutionnalisation se joue aussi au niveau des pratiques et du quotidien.

Mais une part renvoie aussi à la situation présente de champs social et intellectuel qui se sont cristallisés entre 1996 et 2003, et qui peinent à faire face aux recompositions profondes de la société québécoise depuis le milieu des années 2010 (crises économiques successives et crise de santé publique, politiques austéritaires, recentralisation et fragilisation de la gestion étatique du social, fragilisation de la configuration partisane dominante depuis les années 1970, etc.). Si une réflexion s'entame aujourd'hui à cet égard (Guay, Durand-Folco et Ikebe, 2022), nous retiendrons ici seulement trois voies possibles qui gagneraient peut-être à être pensées ensemble. Une réflexion globale sur les rapports entre l'État et le MCQ gagnerait à renoncer à une lecture unilatérale (d'une part ou de l'autre) pour analyser ces « échanges politiques » comme touchant précisément à la forme et l'unité des intérêts sociaux (Crouch, 1993), entre prise de contrôle (proche de la gouvernementalité foucaldienne) et construction politique des intérêts (proche de la gouvernance néocorporatiste [Molina et Rhodes, 2002]). Une réflexion microsociale gagnerait à investir plus avant la réflexion sur la production des politiques publiques par leurs publics et les territoires, pour intégrer la diversité des milieux politiques qui les peuplent : les autres interlocuteurs de la démocratie locale, élus et citoyens (assumant en particulier l'enjeu de la tension entre démocratie représentative, participative, etc.). Enfin, entre ces deux échelles se joue sans doute la consistance du « modèle québécois de développement », au travers des paramètres majeurs de la gouvernance sectorielle du milieu communautaire, permettant d'envisager à la fois ce secteur dans sa spécificité (tant la question sociale est spécifique et évolutive) et dans ses rapports avec les autres (notamment les secteurs économiques et ceux liés aux ressources). Peut-être est-il temps de remettre le modèle québécois sur le métier?

NOTES

1. Illustrons sans prétention d'exhaustivité : « action communautaire » (D'Amours, 2002; Shragge, 2006; Lamoureux et al., 2008; Fontaine, 2013; Jetté, 2017), « organisme(s) et organisation(s) communautaire(s) » (Doré, 1985; Bourque et al., 2007; Savard, Harvey et Tremblay, 2008; Depelteau et al. 2013; Jetté et Bergeron-Gaudin, 2020), « développement des communautés » ou « développement économique communautaire » (Mercier et Bourque, 2021; Favreau et Lévesque, 2000), « mouvement populaire et communautaire » (Bélanger et Lévesque, 1992), « modèle communautaire » (Godbout, 1990), « secteur communautaire » (White, 2001; Bourque et Jetté, 2018), « paradigme sociocommunautaire » (Dorvil et Mayer, 2001), etc.
2. Sans pouvoir mener ici une revue systématique de ces définitions, retenons la proposition consensuelle de Bourque et al. (2007), lesquels établissent une distinction entre l'action sociale ou l'approche sociopolitique (centrées sur la lutte conflictuelle pour les droits sociaux), l'approche du développement local (qui vise à résoudre des problèmes locaux par une participation communautaire plutôt consensuelle), l'approche socio-institutionnelle (qui entend renforcer la capacité d'agir des personnes et communautés face aux programmes et services publics) et l'approche sociocommunautaire (qui veut développer la capacité d'agir des personnes et renforcer les solidarités de proximité dans leur environnement communautaire). Mais cette base est assez minimale, puisqu'elle côtoie des définitions alternatives nombreuses, au sein du mouvement communautaire autonome (avec Lamoureux et al. [2008, p. 92] et les trois modèles en intervention communautaire), du mouvement de l'économie sociale (avec par exemple Favreau et Lévesque [2000] qui valorisent les convergences entre économie sociale, organisation communautaire et développement local, alors que Favreau [2008] rappelle l'existence de deux grandes « familles », associative et

coopérative, dans l'économie sociale), du développement communautaire (avec Tremblay, Fontan et Klein, 2009 et les deux types de développement communautaire, libéral ou progressiste), etc.

3. Sur le cadre conceptuel de l'économie politique québécoise du CRISES comme conception mouvementiste de la théorie de la Régulation où le « modèle de développement » est un paradigme d'action collective à la Lipietz, voir : Bélanger et Lévesque, 1992; Lévesque et Mager 1992, 1995; Lévesque, Bourque et Vaillancourt, 1999; Lévesque, 2001, 2002, 2005.
4. Le mouvement social urbain était un label unifiant d'auteurs qui se voulaient critiques envers les travaux classiques. Ces critiques étaient d'origines diverses mais un peu isolés par leur objet « urbain ». Ils se sont saisis d'un programme fort à l'ambition un peu démesurée (les lieux de reproduction comme second front de lutte anticapitaliste) lequel, après un *aggiornamento* conséquent, a permis d'identifier les lignes de conflits qui structurent encore la scène urbaine aujourd'hui (la consommation collective, la contestation de l'État, et la dimension culturelle des mobilisations) (Pickvance, 2003; Mayer, 2006).

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Earnings Management in the Charitable Sector: A Canadian Study

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ABSTRACT

This article examines whether charitable organizations use discretionary accruals to manage their surplus or deficit. Linear regression was used to analyze the financial data of a broad sample of Canadian charitable organizations. Results showed that discretionary accruals were used to manage these income figures. This approach is compounded by the magnitude of grants, public benefit, and leverage. The results hold whether the charity anticipates a surplus or a deficit, but not if it displays a high level of public benefit. In that case, charities with an anticipated surplus increase their use of discretionary accruals to decrease earnings, whereas charities that anticipate a deficit are not inclined to manage their deficit toward zero. This study complements prior literature on nonprofits and shows that even though tax laws differ among countries, charity managers in various contexts are motivated to manage earnings and are influenced by various factors in doing so.

RÉSUMÉ

Cet article examine si les œuvres de bienfaisance effectuent des ajustements discrétionnaires pour gérer leurs excédents ou leurs déficits. La régression linéaire a été utilisée pour analyser les données financières d'un large éventail d'œuvres de bienfaisance canadiens. L'étude a montré que les ajustements discrétionnaires étaient effectivement utilisés pour gérer les résultats. Cette approche était d'autant plus utilisée quand les subventions, le bienfait d'intérêt public et l'endettement étaient importants. Les résultats sont valables que l'œuvre de bienfaisance prévoie un excédent ou un déficit, mais pas s'il démontre un haut niveau de bienfait d'intérêt public. Dans ce cas-là, les œuvres de bienfaisance qui prévoient un excédent augmentent leur recours aux ajustements discrétionnaires pour réduire leurs résultats, tandis que ceux qui prévoient un déficit ne sont pas enclins à gérer leur déficit pour le ramener à zéro. Cette étude s'avère un complément à la littérature antérieure sur les organismes à but non lucratif et montre que, même si les lois fiscales diffèrent d'un pays à l'autre, les responsables d'organisations œuvrant dans divers contextes caritatives sont motivés à gérer leurs résultats, et divers facteurs les influencent quand ils le font.

Keywords / Mots clés: charities, earnings management, government grants, leverage, public benefit / œuvres de bienfaisance, gestion des résultats, subventions gouvernementales, endettement, bienfait d'intérêt public

INTRODUCTION

The nonprofit sector accounts for 8 percent of Canada's gross domestic product, generates about 1.5 million jobs (CanadaHelps, 2020), and involves almost 13 million volunteers (Hahmann, du Plessis, & Fournier-Savard, 2020). Canada is home to 86,000 charities, and these organizations raise more than CDN$18 billion in donations and receive CDN$183 billion in government grants annually (CanadaHelps, 2020). Canada ranked second, after the United States, for total donations to funds and public benefit organizations in 2018, and third for donations as a percentage of gross domestic product in 2016, with the United States and New Zealand ranking first and second (OECD, 2020).

Considering the charitable sector's economic importance and the volume of public and private funds invested in many jurisdictions, there is a need to better understand the phenomenon of financial disclosure management and the factors that impact this practice. When this opportunistic managerial behaviour occurs, it impairs the quality of the reported financial information and weakens its usefulness for decision-making purposes (Garven, Beck, & Parsons, 2018). It also impacts how limited resources are allocated between charities and other sectors and prevents optimal allocation of funds within the charitable sector itself.

The literature shows that nonprofit managers, like their for-profit counterparts, alter their organization's financial information to gain disproportionate benefits at the expense of stakeholders. A host of studies on the nonprofit sector indicate that charities strategically manage their program expense ratio, defined as total charitable activity expenses over total expenses, to attract donors (Garven, Hofmann, & McSwain, 2016; Parsons, Pryor, & Roberts, 2017), enhance executive compensation (Krishnan, Yetman, & Yetman, 2006), and satisfy rating agencies' performance criteria (Tinkelman, 2009). However, compared with the for-profit sector, which has so far provided the context for most of the research on earnings management (e.g., Burgstahler & Dichev, 1997; Dichev, Graham, Harvey, & Rajgopal, 2013), fewer studies address earnings management in the nonprofit sector (e.g., Jegers, 2013; Verbruggen & Christiaens, 2012), especially among charitable organizations (e.g., Nguyen & Soobaroyen, 2019).

Common motivations to manage earnings (e.g., reduce stock price volatility or maintain net growth) do not apply to the charitable sector (Graham, Harvey, & Rajgopal, 2005). Unlike the for-profit sector, the charitable sector does not aim to maximize shareholder wealth. In addition, the needs of users of charitable financial reports differ from those of shareholders. The first group is interested in charity reports that cover, not only financial matters, but also charitable program performance and fiduciary and procedural topics (Dhanani & Connolly, 2012). Charity annual reports are widely used by other parties as well. For instance, watchdog agencies such as Charity Intelligence Canada use them to rate the charities according to five criteria, including financial transparency and results reporting. This rating allows individual and corporate donors to make better informed giving decisions. Publications such as *MoneySense* and *Maclean's* also use the reports to carry out their annual charity rankings. Interested donors seeking more than just ratings may find charities' financial information on their websites. The Canada Revenue Agency (CRA), another important stakeholder, uses financial statements to assess whether charities spend their resources in accordance with their mission.

According to Leone and Van Horn (2005), earnings figures (surplus or deficit) are useful for stakeholders of nonprofit organizations when they make decisions regarding donations, evaluate man-

agement quality, and assess the organization's solvency. They also use them to ascertain compliance with contractual conditions and the organization's tax-exempt status (Leone & Van Horn, 2005).

To date, studies on earnings management in the nonprofit sector have looked mainly at nonprofit hospitals in the United States (Eldenburg, Gunny, Hee, & Soderstrom, 2011; Leone & Van Horn, 2005; Vansant, 2016). Although this literature provides insight on earnings management in the nonprofit sector, results cannot be generalized to charities without further investigation, as U.S. nonprofit hospital revenues are mainly derived from hospital services (Boris & Steuerle, 2006). In fact, in a report published in 2020, the OECD acknowledges that research in the philanthropic sector has only recently been undertaken in countries other than the United States. Some of this research includes Nguyen and Soobaroyen (2019), who report that U.K. charities use discretionary accruals to drive their financial results toward a zero surplus/deficit and commonly distribute reported earnings around that figure. Verbruggen and Christiaens (2012) document that large Belgian nonprofits use discretionary accruals to manage earnings toward zero.

Consisting of charitable organizations and foundations, charities differ from other nonprofits in that they operate exclusively for charitable purposes, i.e., they are established for the public benefit,[1] and have the privilege of providing charitable donation receipts for income tax purposes. For their part, charitable organizations differ from foundations[2] in that they dedicate most of their resources to the direct delivery of goods and services to the public (Income Tax Act, 1985, subsections 149.1(1) and (6)). Due to their nature and specific traits, charitable organizations experience pressure to maximize the quantity and quality of their output to the public. As they receive little money from beneficiaries, they depend on outside contributions from donations and government grants to carry out their charitable activities. As a result, their managers have common incentives to manage their organizations' surplus or deficit. These include demonstrating that the charity is highly beneficial to the public and encouraging capital providers to support it financially. This article focuses on charitable organizations; however, the term "charities" is used for brevity.

This study has four objectives. The first is to examine whether Canadian charities use discretionary accruals to manage their surplus or deficit. Managers could be led to strategically decrease their surplus or deficit by political-contractual pressures, or they may wish to satisfy donors' and government grantors' requirements. Since government aid is an important source of funds for many charities, the second objective is to assess whether the extent of government grants relative to the organizations' total revenues influences earnings management. Financial dependence on government aid creates additional stress in terms of reporting results that conform to the requirements of government authorities for retaining the funding. The third objective is to observe whether the level of public benefit (measured as total charitable expenses to total revenues) has an impact on charities' management of their surplus figure. The fourth objective is to provide evidence regarding the contention that leverage induces charities to manage earnings.

To answer these questions, linear regressions were used to analyze the financial data of a broad sample of 11,051 observation years of Canadian charities. The results suggest that charities use discretionary accruals to strategically decrease their surplus or deficit. In addition, they intensify this action in tandem with the magnitude of grants, public benefit, and leverage. The results hold

whether they anticipate a surplus or a deficit, but not for those with a high level of public benefit. In that case, contrary to expectations, charities with an anticipated surplus increase their use of discretionary accruals to decrease earnings, whereas charities that anticipate a deficit are not inclined to manage their deficit toward zero.

This study contributes to the accounting literature in several ways. First, to the authors' knowledge, it is the first empirical study that examines earnings management in the context of Canadian charities. Second, it is the first to consider how a charity's level of dependence on government grants and public benefit influences its engagement in this accounting practice. Third, the results extend those of Nguyen and Soobaroyen (2019), concerning the impact of leverage on earnings management in the charity sector, and the findings of Verbruggen and Christiaens (2012), concerning the impact of government grants on nonprofits. Lastly, the study focused on a Canadian context, and is an important response to OECD's (2020) call for more research on the charitable economic sector throughout the world. Overall, the study shows that even though corporation and tax laws differ to some extent among countries, earnings management by managers of charities is a common practice everywhere. Various factors influence this practice, such as government subsidies, public benefit, and leverage.

This article has four further sections. The next section briefly discusses the theories of earnings management and presents hypotheses. The following section describes the research method and data. The last section presents and interprets the results of the analyses, followed by the authors' conclusion.

THEORETICAL FRAMEWORK AND HYPOTHESIS DEVELOPMENT

Theoretical framework

There are several theories regarding charity managers' earnings management motivations and how to predict this opportunistic behaviour. The political-contractual theory underscores contractual, economic, and political factors (Watts & Zimmerman, 1978). It assumes that individuals seek to maximize their own utility and minimize financing and political costs. For instance, managers' incentives include increasing their compensation, protecting their jobs, gilding their reputations, adhering to debt covenant restrictions, and maintaining their organizations' charitable status. Managers thus weigh the consequences of financial disclosure in light of contractual outcomes and economic and political costs.

According to the resource dependence theory (Pfeffer & Salancik, 1978), organizations must fulfill donors' and government grantors' expectations to ensure financial sustainability. The latter assess the value of their donations or grants according to their anticipated public benefit and the risk that the donations and grants may not materialize into charitable activities. As a result, managers manage earnings to make organizations appear more beneficial to the public and less financially risky than their counterparts, with the goal of impressing donors/grantors and influencing them to donate/give grants to their organization rather than to another one (Parsons, 2003). This perspective also holds that managers will anticipate how donations/grants will be impacted by their financial reporting decisions in light of their acceptability to donors/grantors.

This article combines the political-contractual theory and resource dependence theory to provide a detailed portrait of managers' predicament, whereby they must simultaneously deal with satisfying the expectations of regulators, donors, and government grantors, uphold contractual agreements, and improve their own personal circumstances.

Hypothesis development

Surplus or deficit management (Hypothesis 1)

Combining the two theories that depict managers' underlying motives allows us to predict that charity managers feel constrained to reduce their surplus or deficit to minimize the costs that will arise from their reporting behaviour. Given that any excessive surplus or deficit can exact a toll on the charity and its managers, managers should choose to report a marginal surplus or deficit. First, it is important to consider the consequences of reporting a deficit. This figure casts doubt on an executive's competency and ability to ensure the organization's longevity (Leone & Van Horn, 2005). The resulting negative repercussions on the manager's welfare are considerable and include a tarnished reputation and barriers to the manager's career progression, compensation, and employment status (Hofmann & McSwain, 2013). Studies show that nonprofit managers are more likely to be let go when their organization reports a deficit (Brickley & Van Horn, 2002; Eldenburg, Hermalin, Weisbach, & Wosinska, 2004). This figure also damages the organization by reducing its net assets, thereby increasing scrutiny by its creditors. It may also reduce the cash flow available for charitable activities. Lastly, because of uncertainty regarding the organization's longevity, donors will be less willing to donate if they are unsure whether the organization will be able to use the donation for future charitable activities (Parsons, 2003). In light of these deficit consequences, political-contractual and resource dependence theories predict that managers of charities will use positive discretionary accruals to decrease an anticipated deficit. Consistent with this statement, the literature suggests that a number of nonprofits manage this deficit upward to reduce it (e.g., Jegers, 2013; Leone & Van Horn, 2005; Nguyen & Soobaroyen, 2019; Verbruggen & Christiaens, 2012).

Second, the following ramifications of a large surplus must be considered. Leone and Van Horn (2005) note that nonprofits with a high surplus signal that managers are not making the required effort to provide additional charitable activities. It indicates that the organization is underperforming and failing to achieve the public benefit that its stakeholders wish to see. The organization therefore loses some of its legitimacy in its pursuit of society's resources, and therefore risks the loss of donations and grants. Leone and Van Horn report that a surplus comes with political costs because donors are less inclined to donate to organizations that make too much profit because they consider these organizations sufficiently wealthy to maintain appropriate charitable service delivery. The organizations would most likely lose their donations and grants to other organizations in greater financial need. In light of these surplus ramifications, political-contractual theory predicts that managers of charities that anticipate a surplus use negative discretionary accruals to reduce this figure. This prediction is echoed in the literature (e.g., Nguyen & Soobaroyen, 2019; Vansant, 2016; Vermeer, Edmonds, & Asthana, 2014). It should be noted that the accuracy of this prediction must be tested before any other hypothesis on the antecedents of earnings management can be investigated. This article's first hypothesis therefore states: *There is a negative relationship between discretionary accruals and earnings (surplus or deficit) before discretionary accruals.*

Dependence on government grants (Hypothesis 2)
According to resource dependence theory, organizations must consider the assessment criteria of their main capital providers and appropriately satisfy their requirements to continue receiving the capital they need to survive (Pfeffer & Salancik, 1978). Governments are one of the main capital providers for charities in Canada. Grants from the three levels of government (federal, provincial, and municipal) accounted for about 66 percent of the total revenue stream of Canadian charities in 2017, almost 87 percent of which went to education and health (CanadaHelps, 2020). For many of these organizations, losing this funding would significantly contract their budget for the subsequent year and jeopardize their charitable activities. These charities are therefore under intense pressure to report financials that demonstrate that they are appropriately responding to the requirements of their governmental stakeholders. Parsons, Pryor, and Roberts (2017) surveyed 200 nonprofit managers and found that their dependence on U.S. government grants increased their likelihood of managing their program expense ratio upward by 21 percent to retain the funding. The study shows that these managers are sensitive to government pressure and are ready to manipulate the financial information to show that they are complying with the grant evaluation criteria.

Resource dependence theory predicts that charity managers experience pressure regarding, not only efficiency ratios, but also their surplus or deficit and whether to manage this result. When the organization experiences repeated deficits, the charity's reputation suffers because its results signal that it lacks the capacity to carry out its charitable activities. Consistent with the theory, on the one hand, the government may decide not to grant funding if it becomes uncertain about the organization's longevity. On the other hand, an immoderate surplus conveys that the organization does not need government grants to deliver its charitable activities. In addition, for the sake of social equity, the government may be reluctant to allocate public funds to an organization with a large surplus when other organizations are in greater need. The extent of an organization's dependence on government grants and, therefore, the consequences of grant loss is conditioned on the ratio of the grant to the organization's total revenues. In other words, the repercussions for future cash flow are greater for highly subsidized organizations than for those with small grants. According to resource dependence theory, an organization's heavy reliance on public aid increases the cost of reporting a large deficit or surplus. Managers may react to the prospect of these additional costs by using more discretionary accruals to reduce the anticipated deficit or surplus to the extent possible. Verbruggen and Christiaens (2012) investigated the impact of government grants on the earnings management practices of large Belgian nonprofit organizations and found that these practices increase when there is a high level of grants, but only for organizations with a pre-managed surplus (i.e., a surplus before accruals). Jegers (2013), also for a sample of large Belgian nonprofits, noted no significant impact of government grants on earnings management. In light of these theoretical arguments, the second hypothesis states: *Assuming a negative relationship between discretionary accruals and earnings (surplus or deficit) before discretionary accruals, the relationship intensifies with a high level of government grants.*

Public benefit (Hypothesis 3)
Regulatory pressures compel charities to manage an anticipated surplus to slightly above zero. Regulators expect that the activity surplus will be reinvested in charitable activities that aid society,

given that accumulating wealth is not acceptable for a charity (CRA, 2019). By posting an immoderate surplus, the organization is indicating that it is not maximizing public benefit. Consequently, this increases the political costs assumed by the charity. Regulators are attuned to the organization's profitability, and their decision to sanction or control it further depends on this figure. For example, the CRA stipulates that it may revoke the charitable status of organizations that maintain an unjustified level of reserves (CRA, 2019).[3]

Stakeholders' perceptions of the organization's level of public benefit also appear to affect decisions regarding the appropriateness of sanctions. After surveying tax specialists, Wilkicki (2001) found that situations in which nonprofit hospitals delivered a low volume of charitable care and posted a high surplus negatively influenced participants' perceptions of the soundness of maintaining the organization's tax-exempt status. However, when the organization's charity care was high, the revenue figure did not affect participants' disposition to maintain this status. The study's results indicate that the government's decision to revoke an organization's status is influenced by the organization's profitability only in cases of weak public benefit. In addition, the level of benefits that an organization provides to the public also appears to influence managers' perceptions of the likelihood of being sanctioned by regulators for an excessively high surplus. For instance, Vansant (2016) found that U.S. nonprofit hospitals providing a high level of public benefit are less inclined to revise their numbers downward to slightly above zero.

These studies by Wilkicki and Vansant suggest that the political cost associated with reporting an immoderate surplus diminishes when the organization's level of public benefit satisfies the expectations of stakeholders. As providing a high level of public benefit is an explicit demonstration that the organization is conforming to society's requirements, regulators are less sensitive to the organization's profitability. We therefore suggest that, as organizations provide higher levels of public benefit, managers experience less regulatory pressure to reduce the surplus they will publish in their financial reports. Therefore, this article's third hypothesis states: *Assuming a negative relationship between discretionary accruals and surplus before discretionary accruals, the relationship decreases with a high level of public benefit.*

Leverage (Hypothesis 4)

Few studies on the nonprofit sector have investigated the impact of leverage on earnings management. As for grants, resource dependence theory suggests that organizations must appropriately satisfy the requirements of the main capital providers to survive (Pfeffer & Salancik, 1978). In addition, political-contractual theory posits that an organization that depends on debt financing will face higher scrutiny from its stakeholders (Watts & Zimmerman, 2006). Also, under this theory, managers will seek to minimize financing costs. A charity's incentive to manage earnings upwards may stem from its desire to show its debtholders that it is financially viable enough to repay the debt with interest and/or that it has the capacity to borrow. The incentive to manage earnings downwards may be due to debt providers acting as a governance monitor, limiting charities' ability to report too high of a surplus.

For large Belgian nonprofit organizations, Jegers (2013) asserts that earnings management increases with level of indebtedness, while Verbruggen and Christiaens (2012) note no impact for new debt

contracting. For U.K. charities, Nguyen and Soobaroyen (2019) find that the greater their leverage, the more charities use discretionary accruals to manage earnings, regardless of whether they are pre-managing a surplus or a deficit. We test whether a high level of leverage compels more intense earnings management by charity managers. Therefore, the fourth hypothesis of this article states: *Assuming a negative relationship between discretionary accruals and earnings (surplus or deficit) before discretionary accruals, the relationship intensifies with a high level of leverage.*

METHODOLOGY

Sample

To test the four hypotheses, the authors used financial data from Appendix 6: Detailed Financial Information in the T3010 Registered Charity Information Return (Government of Canada, 2021).[4] The charity's financials can be accessed on the CRA's website and are part of the public domain. After submitting a formal request to the CRA, a CD of T3010 forms in Excel format for the 2010–2015 period was obtained. Table 1 summarizes the sampling procedure, starting with the number of observations classified as charitable organizations (i.e., excluding foundations) in the CRA database for the 2010–2015 period. As mentioned in the introduction, foundations were excluded because they do not dedicate their resources mainly to the direct delivery of goods and services to the public.

Table 1: Sampling procedure

Sample selection criteria	Number of observations	
Number of observations listed in CRA database from 2010 to 2015		448,463
Less:		
Hospitals (category code 10)	2,378	
Institutions of learning (category code 20)	9,508	
Total revenues less than CDN$500,000	362,988[a]	
Total assets less than CDN$100,000	2,459	
Cash-basis accounting	6,288	
Total donations/total revenues less than 10%	33,109	
Total expenditures on charitable activities/total revenues greater than 2	102	
Organizations with missing years or that merged during the period	13,835	
Outliers for the Jones (1991) model computations	870	
Sub-total		(431,537)
Total number of observations from 2010 to 2015 for the Jones (1991) model computations (2,821 charities)		16,926
Less:		
Year 2010 and year 2011	5,642	
Outliers from the main regression (standardized residuals exceeding -3 or 3)	233	
Sub-total		(5,875)
Total number of observations from 2012 to 2015		11,051

Note: [a] According to CanadaHelps (2020), 80 percent of charities have revenues less than CDN$500,000.

In Canada, hospitals (category code 10) and universities/colleges (category code 20) are public institutions funded for the most part by the State, according to its rules. Despite their charitable status, many of them do not conduct charitable activities themselves but have constituted foundations to accumulate funds to support their organization's charitable activities. Since the database provides all the financial data for regular operations (i.e., not exclusively for charitable activities), these organizations were excluded. Also excluded were smaller organizations (total revenues less than CDN$500,000[5] or total assets less than CDN$100,000), organizations that use cash-basis accounting, those with marginal reliance on donations (less than 10%), those with an unreasonably high program expense ratio (greater than 2), organizations with missing years or that merged during the period under study, and those with outliers for the Jones (1991) model computations. The years 2010 and 2011 were excluded because the regression model (1) uses two-year lagged data. To mitigate the effect of outliers, observations with standardized residuals from the regression exceeding -3 or 3 were also excluded.

The final sample consisted of a total of 11,051 observation-years covering the 2012–2015 period and falling into five activity sectors labelled according to CRA classification codes: Welfare (2,450), Health (805), Education (945), Religion (5,585), and Benefits to Community (1,266). Of these observations, 6,391 observations show a surplus before discretionary accruals and 4,660 a deficit before discretionary accruals.

Empirical model

To test the hypotheses, the following multi-linear regression was used:

$$DA_{it} = \alpha + B_1 EBDA_{it} + B_2 GVD_{it} + B_3 EBDA{\times}GVD_{it} + B_4 PB_{it} + B_5 EBDA{\times}PB_{it} + B_6 LEV_{it} + B_7 EBDA{\times}LEV_{it} + \sum \Upsilon_j Controls_{it} + \sum \delta_j Years_{it} + €_{it} \quad (1)$$

This model examines the relationship between discretionary accruals (DA_{it}) and surplus or deficit before discretionary accruals ($EBDA_{it}$), developed from Leone and Van Horn (2005), Nguyen and Soobaroyen (2019), and Verbruggen and Christiaens (2012). It also considers the interaction between dependence on government grants, public benefit, and leverage and earnings before discretionary accruals. The regression variables are defined below and summarized in the Appendix.

Measurement of dependent variable—discretionary accruals

As in the aforementioned studies, discretionary accruals (DA) were evaluated using the Jones (1991) model.[6] The discretionary accruals (DA_{it}) in period *t* scaled by total assets in period *t-1* for charity *i* correspond to the residual ($€_{it}$ term) from the following regression:

$$AC_{it} = b_1 1/TA_{it-1} + b_2 \Delta REV_{it} + b_3 PPE_{it} + €_{it} \quad (2)$$

Where:

AC_{it} Total accruals calculated as the change in amounts receivable, inventories, and other assets minus the change in accounts payable and accrued liabilities from period *t-1* to *t*, minus amortization of capitalized assets, all scaled by total assets at *t-1* for charity *i* (i.e., change in working capital minus amortization).

ΔREV_{it} Revenues adjusted for net profit/loss from asset sales in period *t* minus revenues adjusted for net profit/loss from asset sales in period *t*-1 scaled by total assets at *t*-1 for charity *i* (i.e., change in contribution and other revenue).

PPE_{it} Land and buildings in Canada, other capital assets in Canada, and capital assets outside Canada in period *t* scaled by total assets at *t*-1 for charity i (i.e., the level of fixed assets).

TA_{it-1} Total assets at *t-1* for charity *i*.

Before proceeding to computations for each charity, coefficients b_1, b_2, and b_3 in model 2 were estimated. They were calculated within the sample on the basis of all the observations in a particular sector using model 2. Then, the regression was performed on each charity's data to compute its DA_{it} (the residual in model 2).

Measurement of independent variables

Surplus or deficit before discretionary accruals. $EBDA_{it}$ is the difference between the surplus or deficit (earnings) from the T3010 return for period *t* scaled by total assets at *t-1* for charity *i* and DA estimated by model 2. Based on Hypothesis 1, it was predicted that charity managers will use discretionary accruals to reduce any anticipated surplus or deficit. Consequently, the authors predicted a negative relationship between variables DA_{it} and $EBDA_{it}$ in model 1, represented by a negative B_1 coefficient.[7]

Dependence on government grants. GVD_{it} was coded 1 when the total of federal, provincial, and municipal grants to total revenues in period *t* for charity *i* was above the sector median, 0 otherwise. The interaction term $EBDA{\times}GVD_{it}$ made it possible to determine whether dependence on government grants intensifies the expected negative relationship between discretionary accruals and EBDA. Consistent with Hypothesis 2, it was expected that the interaction term's B_3 coefficient would be negative in model 1. This means that dependence on government grants intensifies the use of discretionary accruals to manage the income figure. In addition, it suggests that the charity managers will tend to use more discretionary accruals to manage earnings to appear less profitable (or to have less of a deficit) in surplus (deficit) situations when the proportion of government grants in total revenues is larger than the sector median.

Public benefit. PB was coded 1 when total charitable expenses to total revenues adjusted for net profit/loss from asset sales for charity *i* in period *t* was above the sector median, 0 otherwise. Boateng, Akamavi, and Ndoro (2016) surveyed 105 chief executive officers of U.K. charities and found that the highest-ranked performance measure is charitable expenses to total revenues. Obviously, charitable activities provide the output that boosts the welfare of beneficiaries and supports the organization's mission. A high ratio of expenses for charitable activities to total revenues shows that the charity delivers a high volume of charitable care. It therefore suggests the charity provides a high level of public benefit. $EBDA{\times}PB_{it}$ was used to analyze whether level of public benefit mitigates the relationship between discretionary accruals and EBDA. Consistent with Hypothesis 3, the authors predicted that when the charity anticipates a surplus (EBDA>0), the interaction term's B_5 coefficient will be positive. This means that charity managers make less use of discretionary accruals and are therefore less concerned with managing their surplus when the organization's level of public benefit is greater than the sector median.

Leverage. LEV_{it} was coded 1 when the total of short- and long-term debt in period *t* scaled by total assets in period *t* for charity *i* was above the sector median, 0 otherwise. The interaction term $EBDA \times LEV_{it}$ made it possible to determine whether a high level of leverage intensifies the expected negative relationship between discretionary accruals and EBDA. Consistent with Hypothesis 4, it was expected that the interaction term's B_7 coefficient would be negative in model 1. This means that charity managers use more discretionary accruals when the organization's leverage is greater than the sector median.

Control Variables. Similar to Leone and Van Horn (2005), the authors incorporated the variable EARNINGS *t-1* in the model. It corresponds to the surplus or deficit in period *t*-1 for charity *i* scaled by total assets at *t-2*. Kothari, Leone, and Wasley (2005) show that past earnings are associated with discretionary accruals in the current period. In addition, variable DA*t*-1 is included in the model to control for the likely autocorrelation in discretionary accruals in periods *t* and *t*-1 (Leone & Van Horn, 2005). Like Jegers (2013) and Nguyen and Soobaroyen (2019), the authors controlled for size (REV), since the size of discretionary accruals could be related to organizational size. REV corresponds to the natural log of revenues. Lastly, the variable YEARS controlled for temporal effects. Since panel data were used, the *t* statistics are based on cluster-robust standard errors by organization.

RESULTS AND DISCUSSION

Descriptive statistics

Characteristics of charities

Table 2 presents the descriptive statistics for the charities in the sample for the 2010–2015 period. The mean (median) of total assets is 7,360,000 (2,143,000), while the mean (median) of total revenues is 3,748,000 (1,319,000), with all monetary figures being presented in CDN$. The extensive gap between the mean and median for both total assets and total revenues indicates that the sample contains relatively few large charities. The total assets in the first and third quartiles are, respectively, $874,000 and $5,187,000, and total revenues are $832,000 and $2,636,000, indicating that most of the organizations are medium-sized.

Table 2: Descriptive statistics on charities (2010-2015)

Variables (in thousands of Canadian dollars)	Mean	Standard deviation	Q1	Median	Q3
Total assets	7,360	38,304	874	2,143	5,187
Total liabilities	2,524	15,216	97	356	1,313
Leverage	33.5%	33.8%	6.4%	23.8%	52.2%
Total revenues	3,748	14,473	832	1,319	2,636
Total grants	639	4,034	0	5	377
Total donations	2,258	10,214	470	777	1,561
Earnings	155	2,015	-32	30	162
Total grants/total revenues	14.7%	23.1%	0%	0.4%	24.1%
Total donations/total revenues	62.3%	29.8%	33.9%	66.2%	91.8%
Earnings/total revenues	4.2%	20.1%	-2.4%	2.2%	10.2%

Notes: Item numbers are from the T3010. Total assets are #4200. Total liabilities are total short- and long-term debt (#4350). Leverage (LEV) is total short- and long-term debt (#4350) in period *t* scaled by total assets (#4200) in period *t*. Total revenues (#4700). Total grants are total municipal (#4560), provincial (#4550), and federal grants (#4540). Total donations are total amount for which the charity has issued tax receipts (#4500), or which it received from other registered charities (#4510), for which a tax receipt was not issued by the charity (#4530) and total tax-receipted revenue from all sources outside of Canada (#4575). Earnings (surplus or deficit) are the difference between revenues (#4700) and expenses (#5100). *N* = 16,926.

Mean (median) leverage is 33.5 percent (23.8%), while the mean (median) total grants/total revenues is 14.7 percent (0.4%) and for total donations/total revenues is 62.3 percent (66.2%). Earnings (surplus/deficit) in the first and third quartiles and the median are respectively $-32,000, $162,000, and $30,000, representing respectively -2.4, 10.2, and 2.2 percent of total revenues. Hence, more than half of the sample charities reported a surplus.

Empirical model variables

Table 3 presents descriptive statistics for the variables used in the empirical model. As reported in panel A, mean and median discretionary accruals (DA) are respectively 0.0001 and 0.0051. The mean and median EBDAs are respectively 0.0333 and 0.0131, indicating that most of the sample charities made a profit before their use of discretionary accruals. Table 3, panel B, shows an increase in earnings between mean pre-managed earnings (EBDA) ($110,000) and earnings after discretionary accruals ($169,000).

Table 3: Descriptive statistics on empirical model variables and earnings (2012-2015)

Panel A: Descriptive statistics on empirical model variables					
Variables	Mean	Std dev.	Min.	Median	Max.
DA	0.0001	0.0769	-0.5866	0.0051	0.5764
EBDA	0.0333	0.1505	-0.7896	0.0131	0.9871
GVD	0.4017	0.4903	0.0000	0.0000	1.0000
PB	0.5004	0.5000	0.0000	1.0000	1.0000
LEV	0.4956	0.5000	0.0000	0.0000	1.0000
$EARNINGS_{t-1}$	0.0400	0.1732	-1.8870	0.0165	3.9554
DA_{t-1}	-0.0001	0.1011	-0.9668	0.0052	0.9224
REV	14.3579	0.9571	12.9275	14.1147	19.9077
Panel B: Descriptive statistics on earnings					
Variables (in thousands of Canadian dollars)			Mean	Median	Std dev.
Surplus or deficit after DA (Earnings)			169	30	1,913
Surplus or deficit before DA (EBDA)			110	24	2,076

Notes: The sample consists of 11,051 observations for the years 2012 to 2015. Variables are defined in the Appendix.

Table 4 presents Pearson correlations. They show that levels of collinearity between the explanatory variables are low. Further, all variance inflation factors (VIF) are lower than 3.22, indicating multi-collinearity is not a problem in regression model 1 (Shearer & Clark, 2016). Consistent with

our first hypothesis, the relationship between DA and EBDA is negative and significant. The inverse relationship between the two variables suggests that charities use discretionary accruals to reduce their anticipated surplus or deficit.

Table 4: Pearson correlations (2012–2015)

(11)	-.008	.050**	.088**	.022*	-.024*	.035**	.138**	.036**	.010	-.012	1
(10)	-.225**	.110**	-.024*	.100**	-.015	.090**	-.064**	.096**	.088**	1	
(9)	-.014	.161**	-.042**	.073**	-.088**	.063**	-.089**	.092**	1		
(8)	-.523**	.707**	.017	.537**	-.150**	.523**	.126**	1			
(7)	-.077**	-.039**	.125**	.005	.033**	.015	1				
(6)	-.417**	.635**	.017	.482**	-.044**	1					
(5)	-.038*	-.277**	.126**	-.143**	1						
(4)	-.420**	.636**	.153**	1							
(3)	-.037**	-.014	1								
(2)	-.496**	1									
(1)	1										
	(1) DA	(2) EBDA	(3) GVD	(4) EBDA ×GVD	(5) PB	(6) EBDA ×PB	(7) LEV	(8) EBDA ×LEV	(9) EARNINGSt-1	(10) DAt-1	(11) REV

Notes: The sample consists of 11,051 observations for the years 2012 to 2015. * $p < 0.05$; ** $p < 0.01$ (two-tailed). Variables are defined in the Appendix.

Multivariate analysis

Table 5, panel A, presents the results of the regression for the entire sample as well as for charities with a deficit or a surplus before discretionary accruals (EBDA<0 and EBDA>0, respectively).[8]

Surplus or deficit management (Hypothesis 1)

The first hypothesis states that there is a negative relationship between discretionary accruals and surplus or deficit before discretionary accruals. As can be observed, the coefficients on EBDA for the three subsamples All EBDA, EBDA<0, and EBDA>0 are, respectively, -0.114, -0.268, and -0.072, and highly significant (p<0.01), confirming the first hypothesis (Table 5, panel A). These results are in line with Nguyen and Soobaroyen (2019), who used a sample of U.K. charities, and with previous research performed using other types of nonprofit organizations (e.g., Jegers, 2013; Leone & Van Horn, 2005). These results indicate that charity managers use discretionary accruals to reduce their organization's surplus or deficit toward zero. The findings support the idea that reporting a surplus or deficit that stakeholders could consider excessive may be harmful for both the organizations and their managers. In this case, managers would rather reduce this figure and minimize the cost of their financial disclosure.

Table 5: Regressions

Panel A: Regressions for full sample

$$DA_{it} = \alpha + B_1EBDA_{it} + B_2GVD_{it} + B_3EBDA\times GVD_{it} + B_4PB_{it} + B_5EBDA\times PB_{it} + B_6LEV_{it} + B_7EBDA\times LEV_{it} + \sum\Upsilon jControls_{it} + \sum\delta_j Years_{it} + €_{it}$$

Variables	Predicted sign	All EBDA		EBDA<0		EBDA>0	
Constant		0.000	(0.009)	-0.013	(0.015)	-0.014	(0.012)
EBDA (H1)	-	-0.114***	(0.011)	-0.268***	(0.044)	-0.072***	(0.014)
GVD		0.001	(0.001)	-0.005***	(0.002)	-0.004**	(0.002)
EBDA×GVD (H2)	-	-0.081***	(0.015)	-0.158***	(0.039)	-0.038**	(0.022)
PB		-0.024***	(0.001)	-0.007***	(0.003)	-0.011***	(0.002)
EBDA×PB (H3)	+[a]	-0.063***	(0.016)	0.231***	(0.043)	-0.201***	(0.026)
LEV		-0.008***	(0.001)	-0.006***	(0.002)	-0.002	(0.002)
EBDA×LEV (H4)	-	-0.195***	(0.015)	-0.137***	(0.035)	-0.229***	(0.021)
$EARNINGS_{t-1}$		0.025***	(0.006)	0.023***	(0.008)	0.028***	(0.007)
DAt-1		-0.127***	(0.010)	-0.134***	(0.017)	-0.125***	(0.014)
REV		0.002**	(0.001)	0.002***	(0.001)	0.002**	(0.001)
N		11,051		4,660		6,391	
Adjusted R^2		37.70%		24.01%		37.98%	
F-Statistic		141		40		113	
p		0.000		0.000		0.000	
Panel B: Tests for differences in coefficients between EBDA<0 and EBDA>0 regressions							
EBDA				$p = 0.000$			
EBDA×GVD				$p = 0.004$			
EBDA×PB				$p = 0.000$			
EBDA×LEV				$p = 0.020$			

Notes: Cluster-robust standard errors are in parentheses. * $p < 0.10$; ** $p < 0.05$; *** $p < 0.01$ (one-tailed tests for variables EBDA, GVD, EBDA×GVD, PB, EBDA×PB, LEV, and EBDA×LEV; two-tailed for other variables). Chi-squared tests between regression coefficients are two-tailed. Variables are defined in the Appendix. [a]H3 concerns only EBDA>0.

Dependence on government grants (Hypothesis 2)

The second hypothesis states that a negative relationship between discretionary accruals and earnings (surplus or deficit) before discretionary accruals would intensify with a high level of government grants. In line with these expectations, the coefficients on EBDA×GVD for the three subsamples All EBDA, EBDA<0, and EBDA>0 are, respectively, -0.081, -0.158, and -0.038, and

are significant (at least at $p<0.05$, Table 5, panel A). Consistent with resource dependence theory, these results indicate that the use of discretionary accruals to manage a surplus or deficit intensifies when the organization is more dependent on government grants. They also suggest that it is better to reduce a surplus to maintain the appearance of still needing funding and, thereby, mitigate political costs. Alternatively, it is better to narrow a deficit to maintain the image of a viable organization and, thereby, lessen donors' investment risk. Verbruggen and Christiaens (2012) show similar findings for their whole sample. However, when splitting their sample, only entities posting a pre-managed surplus showed a significant negative coefficient for the interaction.

Public benefit (Hypothesis 3)

The third hypothesis predicts that a negative association between discretionary accruals and surplus before discretionary accruals would decrease with a high level of public benefit. Hypothesis 3 applies only to organizations that anticipate a surplus (EBDA>0) and suggests that a higher level of public benefit mitigates the regulatory pressure that managers experience to report a smaller surplus.

Contrary to expectations, when EBDA>0, the coefficient on EBDA×PB is negative (-0.201) and highly significant ($p<0.01$, Table 5, panel A). This result suggests that managers still need to manage earnings toward zero even in the face of a healthy level of public benefit. In accordance with resource dependence theory, charity managers experience pressure with respect to efficiency ratios. To maintain their level of future funding, they have to demonstrate that they still need government grants and donations. Therefore, they will manage their surplus toward zero to show that their organization needs more financing.

In addition, the results indicate that for EBDA<0, the coefficient on EBDA×PB is positive (0.231) and significant ($p<0.01$, Table 5, panel A). The size of this coefficient is similar to that of EBDA (-0.268), but the coefficient is of the opposite sign. This finding suggests that when the level of public benefit is good, charity managers do not attempt to manage their organization's deficit toward zero. Managers with a negative EBDA seem to believe that posting a deficit will show their stakeholders that grants and donations are still necessary for their organization to fulfill its mission. However, no other research on charities has tested this hypothesis, and so the results cannot be compared.

Leverage (Hypothesis 4)

The fourth hypothesis states that a negative relationship between discretionary accruals and earnings (surplus or deficit) before discretionary accruals would intensify with a high level of leverage. In line with these expectations, the coefficients on EBDA×LEV for the three subsamples All EBDA, EBDA<0, and EBDA>0 are, respectively, -0.195, -0.137, and -0.229, and are highly significant ($p<0.01$, Table 5, panel A). These findings confirm that charity managers manage discretionary accruals toward zero when organizations are more leveraged. Nguyen and Soobaroyen (2019) test only the direct effect of leverage on discretionary accruals, and their results are in line with the current study.

When testing whether the different coefficients between EBDA<0 and EBDA>0 organizations differ (Table 5, panel B), the results indicate that managers of charities with negative EBDA manage earn-

ings more than those with positive EBDA, and this behaviour intensifies with a high level of grants. In addition, when organizations are more leveraged, managers of charities with positive EBDA manage earnings more intensely than those with negative EBDA.

CONCLUSION

This study enriches the accounting literature by examining the management of financial information within the charitable sector. This earnings management practice weakens the quality of the financial information that appears in the sector's financial reports and, therefore, its decision usefulness. It is essential to better understand this practice because donors, board members, government agencies, and other stakeholders depend on financial information that reflects economic reality to make enlightened decisions. Financial reports of lesser quality can impair the allocation of economic resources between the charity sector and other economic sectors and lead to considerable consequences given the economic importance of the charitable sector.

This article provides evidence that charities use discretionary accruals to manage their surplus or deficit toward zero for publication in financial reports. Assuming a negative relationship between discretionary accruals and earnings, it also shows that the magnitude of government grants relative to the charity's total revenues intensifies this practice. Similarly, a high level of leverage also intensifies earnings management toward zero. However, a high level of public benefit intensifies the practice of reducing earnings when the charity anticipates a surplus.

This study has several implications for charities. First, by using a large sample of charities with revenues of CDN$500,000 and more, it highlights that management of the surplus or deficit is practiced across these organizations. Second, it underscores the importance for stakeholders such as tax authorities, rating agencies, and donors to remain vigilant and exercise skepticism when monitoring and using financial information, especially regarding highly subsidized and highly leveraged charities. This skepticism should also be exercised with respect to charities with a high level of public benefit that have a surplus, as they will manage this figure toward zero to show that their organization needs more funding.

Despite these implications, this study has some limitations that can lead to additional avenues for research. Canadian accounting standards for nonprofits and International Financial Reporting Standards, which nonprofits can choose to follow, permit accounting for the contributions received using the deferral method or the restricted fund method. This could have an impact on discretionary accruals. However, the CRA database used for this research does not provide the information on charities' choice of method or standards. Hence, no data adjustments could be made. The database does not provide information on operating and other types of reserves either, so the authors could not control for reserves or their interaction with EBDA. The government revenue variables on the T3010 includes grants, contributions, and contracts. It was thus not possible to determine the grant portion separately. This study's public benefit measure uses the ratio of charitable expenses to revenues, thus implicitly assuming that charitable expenses are not managed. However, charitable expenses themselves can be manipulated (Garven et al., 2016; Parsons et al., 2017). Further, the ratio has its limitations in terms of the charitable care really delivered. As mentioned by Coupet, Berrett, Broussard, and Johnson (2021), "financial ratios somewhat capture spending patterns, but they do

not capture what nonprofits *do* with resources, leaving out outputs and outcomes entirely" (p. 648). The leverage variable corresponds to the total of short- and long-term debt in the T3010, assuming that all liabilities are subject to contractual agreements that would entice managers to manage their earnings. This may not be the case. Although the sample in this study was broad, it consisted only of charities, with the result that findings cannot be generalized to the entire nonprofit sector. An intriguing replication of this study would consist of analyzing earnings management practices by private and public charitable foundations. Since these entities would have different earnings management motivations, results should differ from those of this study. Future research might also examine whether donors or other stakeholders are aware of charities' use of discretionary accruals. Interviews with stakeholders could provide some insights on that issue. Lastly, although this study provides theoretical arguments to explain earnings management, it does not measure the relative importance of managers' underlying motives for managing their charity's surplus or deficit. The application of a different methodology, such as a questionnaire, could be indicated to explore this matter.

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NOTES

1. "The issue of public benefit is at the heart of every inquiry into an organization's claim to charitable status under the Income Tax Act. Under current law, an organization is only charitable if it meets the definition of charity at common law. Part of that definition requires that for an organization to be considered charitable, it must be established for public benefit" (Government of Canada, 2006).
2. For a discussion of reporting by Canadian foundations, see Brouard and Glass (2017).
3. Revocation may also occur if a charity fails to expend charitable activity amounts that correspond to its disbursement quota for the year, which corresponds to at least 3.5 percent of its investments and assets not used directly in its operations (Income Tax Act, sub. 149.1(1)).
4. Registered charities must file annually this prescribed form along with their financial statements. On the T3010, they must indicate whether they use cash or accruals accounting.
5. Total revenues of CDN$500,000 is the threshold referred to in Canadian accounting standards to require the recognition of fixed assets by not-for-profit organizations (CPA Canada, 2022). Depreciation on fixed assets is a significant item through which earnings management occurs.
6. Robustness analyses were performed using different models to estimate discretionary accruals. The modified Jones model (with ΔREV_{it} - $\Delta Receivables_{it}$ instead of ΔREV_{it} [Dechow, Sloan, & Sweeney, 1995]) and the Jones model with ROAit to control for the effect of performance on discretionary accruals (Kothari et al., 2005) were used. Results obtained for hypothesis tests and additional analyses do not differ from those reported with the Jones model.
7. For example, if reported earnings and estimated discretionary accruals are respectively $150 and -$5 (this negative discretionary accrual could be a $5 excess depreciation calculated by management), the variable EBDA would equal $155 ($150 - [-$5] = $155). Hence, there is a negative relationship between DA_{it} and $EBDA_{it}$.
8. The Durbin Watson statistic for the All EBDA model is 1.89, indicating that autocorrelation in the model is not a problem since it is very close to 2.

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Appendix: Definition of variables

Variable	Definition (Item numbers from the T3010)
AC	AC are calculated as the change in amounts receivable (#4120), inventories (#4150), and other assets (#4170) minus the change in accounts payable and accrued liabilities (#4300) from *t-1* to *t*, minus amortization of capitalized assets (#4900), all amounts scaled by total assets (#4200) at *t-1* for charity *i*.
DA	DA of charity *i* in period *t* scaled by total assets (#4200) at *t-1* is the residual in model 2.
EBDA	EBDA in period *t* is the difference between revenues (#4700) and expenses (#5100) for charity *i* in period *t* scaled by total assets (#4200) at *t-1* and DA.
GVD	1 when the total of municipal (#4560), provincial (#4550), and federal grants (#4540) over total revenues (#4700) for charity *i* in period *t* is larger than the sector median, 0 otherwise.
PB	1 when the total charitable expenses (#5000 + #5050) over total revenues (#4700) adjusted for net profit/loss from asset sales (#4600) for charity *i* in period *t* is larger than the sector median, 0 otherwise.
LEV	1 when the total of short-term and long-term debt (#4350) in period *t* scaled by total assets (#4200) in period *t* for charity *i* is larger than the sector median, 0 otherwise.
$EARNINGS_{t-1}$	Earnings in period *t-1* are the difference between revenues (#4700) and expenses (#5100) at *t-1* for charity *i* scaled by total assets (#4200) at *t-2*.
DA_{t-1}	DA of charity *i* in period *t-1* scaled by total assets (#4200) at *t-2*.
REV	Natural logarithm of revenues of charity *i* in period *t* (#4700).

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How Funding Mix Changes Impacted the National Mental Health Inclusion Network

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ABSTRACT

Changes in funding over the past 20 years have had a major impact on nonprofit consumer disability organizations. We focus on one organization, the National Mental Health Inclusion Network (NMHIN), to understand the impact of changing funding structures and to analyze how individuals and the organization respond to these changes. Neoliberal assumptions in funding arrangements resulted in a net decrease to NMHIN funds, including recent years of zero government funding, while engendering competition with larger, more established nonprofit organizations in the race for grants. Concurrently, it has also been increasingly difficult for consumer organizations to engage in meaningful policy development with government officials. Our argument is that funding changes are truly changes in the relations of ruling, aimed to position small disability organizations as a recipient rather than as initiator of policy ideas. We discuss the implications of these funding changes and the underlying relations of ruling.

RÉSUMÉ

Des changements de financement au cours des vingt dernières années ont eu un impact majeur sur les OSBL de défense des consommateurs handicapés. Dans cet article, nous nous focalisons sur un organisme en particulier, le National Mental Health Inclusion Network (NMHIN), pour comprendre l'impact de changements aux structures de financement et pour analyser comment les individus et l'organisme lui-même ont répondu à ces changements. Des partis pris néolibéraux envers la manière d'organiser le subventionnement ont entraîné un décroissement net dans les fonds du NMHIN (y compris lors d'années récentes où il n'y a pas eu de subventions gouvernementales du tout), tout en instaurant une compétition avec des OSBL plus grands et établis pour l'obtention de subventions. En même temps, il devient de plus en plus difficile pour les organismes de défense des consommateurs de s'engager auprès de représentants gouvernementaux pour développer des politiques significatives. Nous soutenons que les changements en financement sont vraiment des changements de rapports de pouvoir dont le but est de positionner les petits organismes dédiés aux handicapés comme sujets plutôt que comme initiateurs d'idées pour les politiques. Dans notre article, nous discutons des implications de ces changements de financement et des rapports de pouvoir qui y sont sous-jacents.

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INTRODUCTION

The impact of funding-mix changes in recent years has been a significant challenge for the nonprofit sector. As co-chairs and the executive director of the National Mental Health Inclusion Network (NMHIN), an advocacy organization run by people with psychosocial disabilities, we faced significant challenges due to changes to federal funding. One of us (executive director) has been involved with NMHIN for more than 20 years. Facing significant changes to federal funding and their impact on the organization, we describe how we navigate these changes. We outline how we respond to the lost funding and the process of re-establishing funding.

A key capacity for survival is being able to adapt to the changing context of public policy engagement in Canada. The implications of advocacy for public participation and for shaping public policy is considered based on shifts in federal funding models for nonprofits in Canada. We also discuss how we both operate within and critically challenge the neoliberal funding and policy assumptions.

FUNDING REGIMES

Funding of the nonprofit sector has been summarized in two ways by Phillips (2016). The first is the old story of cutbacks: "Beginning in the 1990s, propelled by fiscal restraint and by neoliberalism that favoured smaller government, market-based instruments, and stricter accountability, government funding for nonprofits was reduced dramatically" (Phillips, 2016, p. 3). Long-term funding was replaced by fee-for-service contracts, competitive bidding that led to instability, competition between nonprofits, and burdensome administrative loads (Phillips, 2016). Larger multiservice organizations are better able to endure the changes than smaller advocacy organizations such as the NMHIN. The second narrative focuses on the potential for private philanthropy, entrepreneurship, self-marketing, and new forms of social finance (Chan, in print; Phillips, 2016). This narrative often diminishes the role of government in the future of nonprofit funding.

For the disability consumer movement, we seem to be governed by ourselves as much as by the policy directives and formal legislation of government, in the self-conduct of conduct (Foucault, 1982; Tremain, 2015). Governments set up a model of funding that we, as activists, acquiesce and accept, as notions of limited government and shared responsibility are taken as common sense and as contiguous, complementary to the principle of the market and private wealth acquisition. In the practice of organizations, we often do not critically challenge the underlying values of both activists' social liberalism and the neoliberalism of government (Prince, 2012). So, according to this narrative, we are caught in a trap of fulfilling the wishes of a model that systemically constrains our own freedom (while the model purports to increase our entrepreneurial acumen) and limits our critical policy engagement (while being encouraged to participate in government discussions).

Karen Soldatic (2011) suggests that this new funding regime is comparable with neoliberal workfare. Within activist organizations, workers are positioned as being amendable to part-time, casual, flexible, precarious labour that is ideally influenced by a private fundraising imperative (Chan, 2019; Soldatic, 2011). Our labour is seen in this narrative as disposable and at the whim of our govern-

ment funders. We might employ our Otherness within activism (as the disabled, as psychiatric survivors) as evidence of the state's claims of inclusion and our Otherness to recruit disabled people into the circle of respectability (Voronka, 2015). This narrative emphasizes a neoliberal politics of recognition, and the process occurs at a relatively bargain price.

OUR CASE

The National Mental Health Inclusion Network, originally named the National Network for Mental Health, is the only non-diagnostic mental health consumer network incorporated as a nonprofit since 1992. Directed and operated by people with lived experience of psychosocial disabilities, it is inclusive, working at the intersection of the LGBTQI2S, Indigenous, racialized, marginalized, and disability communities. We promote the social inclusion of all persons with disabilities.

Since 2015, we have shifted our focus to the disability community, *from our previous mental health,* playing a pivotal role in bridging the mental health community with the larger disability movement and sharing knowledge of disability in the mental health sector. Despite the loss of funding, this shift into the disability community has enabled us to become actively involved in human rights, social justice, and system change.

In 2020, inclusion was the reason behind our renaming to National Mental Health Inclusion Network. As an organization, our mission is to have a critical role in mainstreaming inclusion through human-centred design that considers people of all abilities. The National Mental Health Inclusion Network acts to advocate, educate, and offer expertise and resources for an inclusive intersectional framework for mental health.

CONSTRAINED POLICY ENGAGEMENT CONTEXT

Over the last decade, nonprofits have increasingly found it difficult to engage in meaningful public policy development collaboratively with government officials (Thompson & Morton, 2017). Public policy advocacy has evolved over recent decades to be an unsympathetic landscape, dominated by increased governmental surveillance and ongoing, cyclical rounds of government cutbacks (Desantis & Mulé, 2017). Charities in Canada are uniquely positioned to contribute to advocacy and law-making as driven by grassroots community involvement. Yet, legal and regulatory restrictions related to advocacy and lobbying make it increasingly difficult for grassroots charities to meaningfully engage in policy and law-making (Parachin, 2017). Grassroots charities find it difficult to connect with elected officials and senior bureaucrats due to an ever-changing and challenging legislative and regulatory climate.

At NMHIN, we find that governments consult with us for policy discussions, but governments overlook major structural gaps (e.g., poverty linked to disability) and emphasize their own limited role, consciously not acting on further measures (Prince, 2012). The latter is in accordance with neoliberal assumptions. With our own funding limited or non-existent, it is difficult to muster the capacity to challenge government priorities while at the same time asking them for money.

ORGANIZATIONAL IMPACT OF FUNDING MIX CHANGES

Funding to nonprofits from all levels of government transitioned from stable funding to fee-for-service contracts (Phillips, 2016). These funding mix changes have caused enormous instability for nonprofits (Phillips, 2016). Until 2015, the disability component of the Social Development Partnerships Program (SDPP-D) provided stable annual funding (approximately CDN$11 million) to support nonprofit grassroots organizations tackling barriers faced by persons with disabilities. Historically, this core funding was directed to 30 grassroots disability organizations, including ours.

In 2010, the Harper government opened the funding process to a wider not-for-profit audience: universities, hospitals, and other large multiservice nonprofit organizations. Competing with large organizations such as universities and hospitals put the NMHIN at a significant disadvantage. In 2015, the Trudeau Liberal government maintained the previous government's plan for the re-distribution of SDPP-D funding. The Liberals stated they would continue to support the disability community, but the funding mechanism remained basically unchanged.

The impact on the NNMH was substantial and almost resulted in the end of the organization. Given the pressure to conform to market-based instruments, funding applications would require professional support. It is difficult for a small volunteer-run nonprofit to compete with corporations and foundations that can employ a full staff of grant writers and accountants. For a few years, between 2015 and 2019, NMHIN received no funding, until neighbouring disability organizations provided us a CDN$20,000 loan.

The loss of funding just as the pandemic hit was very difficult. With collective planning and support from partners in the disability community, the organization persevered, eventually, in obtaining federal funding in building our capacity and for much-needed research for the sector. We work with other disability organizations in critiquing Canada's mental health laws and advocating for disability rights in healthcare. We are currently engaged in research projects involving gaps in peer support, Indigenous leadership in the disability movement, the wellbeing of climate activists, and the intersection of leadership theory and disability theory. Some of this work was initiated prior to the resumption of robust funding.

We also challenged the government by asserting that NMHIN was one of the few actors available to bridge divides between the psychosocial and physical disability communities (National Network for Mental Health, 2021). Also, we work with intersectionality and human rights, particularly the United Nations Convention for the Rights of Persons with Disabilities. Thus, we asserted, if government ignored our funding needs and NMHIN ceased to exist, a significant area of policy development would be negatively impacted. We challenged Ottawa on its spurious assumption that disability organizations ought to rely on private donations and corporate grants.

The reality facing NMHIN began to significantly improve. From 2019 to 2022, NMHIN received CDN$30,000 per year in federal funding to prevent the organization from disappearing. In 2020, NMHIN facilitated and led the Mental Health Disability COVID-19 & Beyond committee for an intersectional mental health conversation for the disability community across Canada. In 2020–2021, we obtained a CDN$21,600 federal grant to provide online Emotional-CPR training to the Canadian disability community. Emotional-CPR, developed by persons with psychosocial disabilities, is a

trauma-informed public health approach to crisis intervention (Myers, Collins-Pisano, Ferron, & Fortuna, 2021). From 2023 to 2026, in a three-year federal grant, we will receive CDN$600,000 in total for various projects, research, and community capacity building, through the second competitive process. Once again, it will be for project funding, not core funding. As well, we work hard to fulfill Ottawa's funding model and reporting requirements.

CONCLUSION

In our opinion, civil society is essential to a functioning democracy and nonprofits such as the NMHIN play a significant role in the social economy, supporting the capacity of persons with disabilities and mental health conditions to be involved in the labour market (Thompson, 2011). Stable funding for core operations is necessary to avoid significant economic disruptions in the lives of the people our network serves.

Organizations at the bottom of the economic scale cannot realistically compete for private sector funding with large corporations or foundations. Nor should nonprofits serving the most vulnerable be required to take on private sector goals, which commonly stand in contrast with civil society goals. Supporting the most marginalized is a large enough goal.

Grassroots nonprofits require stable funding to reliably and consistently represent people living on the margins, specifically those facing the intersections of physical disabilities and mental health conditions. It is telling that NMHIN's work continued without funding, engaging with other disability organizations and initiating research projects, as a precursor just to be in a position to apply for funding. In other words, governments seem to expect civil society organizations like ours to work for free (or nearly so) until funding trickles down. We also walk a fine line between adhering to government priorities and procedures while challenging those oppressive policies of government. We use those windows of opportunity to critically challenge intersectional oppressions while resisting inducements in using our Otherness to further recruit people on the margins into the neoliberal fold.

On a broader level, from our experience, Prince's (2004) prognostication on disability policy remains prescient: the relative powerlessness of the disability community remains, and the constraints of economic thinking and public finances continue to structure how governments rule over grassroots organizations, while influencing these organizations to restrain themselves accordingly. Canadian disability policy remains frustrating and full of gaps (Stienstra, 2020). With little political and economic clout, organizations such as the NMHIN depend on the government to survive. Our advocacy can only go so far when the political opportunities available to us are limited within the neoliberal ruling class, and we have limited capacity to agitate, recruit, or fundraise into a more advantageous position, possibly because our disability and health intersect ongoing structural violence and intergenerational trauma (Voronka, 2015). In short, we advocate for stable funding to disability organizations, but we should be equally comfortable with biting the hand that feeds us because our goal is not funding. Our goal is moving the dial in human rights and remaking the system so that disability policy goals are reached rather than continually missed (Prince, 2004).

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Les effets du financement par projet sur les organismes à but non lucratif : étude de cas de Déclic

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ABSTRACT
This article explores the growing impact of project-based funding on the non-profit organization Déclic, which specializes in supporting young adults on their return to school. Based on a collaborative case study launched in fall 2019, the article examines the causes of this change and its effects on the organization's activities. It also analyzes the impact of project-based funding on Déclic's practices in terms of finding projects and financial partners, and discusses the benefits and challenges generated by this type of funding.

RÉSUMÉ
Cet article explore les conséquences croissantes du financement par projet sur l'organisme communautaire Déclic, spécialisé dans le soutien au raccrochage scolaire. En se basant sur une étude de cas collaborative entamée à l'automne 2019, l'article examine les origines de ce changement et ses effets sur les activités de l'organisme. Il analyse également les impacts sur les pratiques de Déclic en fonction de recherches de projets et de partenaires financiers, en abordant les apports et défis que ce mode de financement engendre.

Keywords / Mots clés : self-financing, budgetary cuts, project-based financing, community organizations, financial uncertainty / autofinancement, compressions budgétaires, financement par projet, organisme communautaire, précarité financière

LES TRANSFORMATIONS AU NIVEAU DU FINANCEMENT DES ORGANISMES COMMUNAUTAIRES
Au Québec, la nouvelle gestion publique a introduit de nouvelles formes de gouvernance de la part de l'État qui ont des répercussions sur tous les aspects du système. En effet, depuis les années 1980, plusieurs dispositions législatives et administratives régissent la relation entre l'État et les organismes communautaires, qui dépendent principalement de lui pour leur financement (Depelteau, 2013). Cependant, cette relation a évolué au fil du temps en réponse aux compressions budgétaires subies, obligeant les organismes communautaires à opérer un changement majeur dans leur approche financière (Jetté, 2008). En effet, les compressions budgétaires récurrentes

auxquelles ils ont été confrontés au cours des dernières années les ont incités à diversifier leurs sources de financement, s'éloignant des modalités traditionnelles de financement.

Dans un contexte où le marché privé prend progressivement le pas sur le gouvernement, les organismes communautaires ont été fortement poussés à adopter des approches entrepreneuriales afin de garantir leur pérennité (Jetté, 2008). Ils ont ainsi dû développer de nouvelles stratégies visant à renouveler leur financement de manière durable, en mettant en place des actions créatrices et parfois lucratives d'autofinancement (Dey & Steyaert, 2010; Vidal et Grossmann, à paraître). Toutefois, ces organismes sont régulièrement confrontés à des obligations qui entravent leur autonomie, que ce soit à travers le cadre législatif, les contraintes économiques, les relations partenariales ou les fluctuations du marché. Ces tensions créent des discordances avec les valeurs propres à chaque structure, remettant en question leur mission originale et leur identité (Ansion, 2016).

En réponse aux changements et aux défis liés à l'évolution des politiques publiques et aux contraintes budgétaires, certains organismes communautaires ont développé des formes de financement hybrides. Face à des ressources étatiques limitées, ils se sont diversifiés en cherchant des partenaires financiers en dehors de cette sphère (Depelteau, 2013; Jetté, 2008). Cette démarche a conduit à l'adoption d'une approche par projet alignée avec les idées néolibérales, qui valorisent le libre marché, la concurrence et la réduction de l'intervention de l'État, les organismes communautaires devant répondre aux exigences de leurs partenaires financiers en mettant l'accent sur la performance, les résultats mesurables et la rentabilité. Dans le domaine éducatif, ils se tournent vers des fondations philanthropiques reposant sur des logiques de dons, ainsi que vers des entreprises privées qui influencent les orientations des modèles d'action (Bourdon et Baril, 2016). Cette évolution se traduit par une augmentation constante du nombre de fondations au Québec, ainsi que par le développement de modèles de partenariat entre les secteurs philanthropique, économique, associatif et gouvernemental (Berthiaume, 2016).

LES EFFETS DU FINANCEMENT PAR PROJET DANS LE CAS DE L'ORGANISME DÉCLIC

Le cas de Déclic est un exemple de ce que peuvent également vivre d'autres organismes communautaires. Déclic, fondé en 1994, est un organisme québécois offrant des services de soutien aux jeunes adultes en raccrochage scolaire. Les observations et les entretiens auprès des membres de la direction indiquent que l'organisme a connu des variations dans son mode de financement au cours des dernières années, au gré des appels à projets et des orientations gouvernementales. Depuis 2003, Déclic bénéficie d'un financement public à la mission, issu du Programme d'action communautaire sur le terrain de l'éducation[1] qui représente seulement 13% de son budget annuel. En diversifiant ses sources de financement et en recherchant activement des projets spécifiques, Déclic a réussi à maintenir sa viabilité et à mettre en place une offre de services adaptées aux besoins complexes de son public cible, à savoir les jeunes adultes parmi les plus vulnérables. Cependant, cette diversification ne s'est pas faite pas sans efforts, notamment pendant la pandémie.

Le financement par projet demande à Déclic de s'adapter en permanence aux nouvelles réalités économiques. Cette situation met une charge supplémentaire sur l'organisme, qui doit s'assurer d'« être depuis toujours en posture d'innovation[2] » pour assurer sa survie financière, tout en préservant ses valeurs et sa mission fondamentale. Comme l'exprime la direction, « Nos projets sont

toujours nouveaux et toujours plus innovants. » Toutefois, il y a une distinction à faire entre le financement par projet et le financement jugé « insuffisant » de la mission de base de l'organisme. Pour le dire autrement, les ressources financières allouées spécifiquement à chaque projet ne sont pas suffisantes pour répondre pleinement aux besoins financiers globaux de l'organisme dans l'accomplissement de sa mission. La direction explique : « Ce qu'on fait déjà comme organisme, on ne peut le mettre pour demander de l'argent pour la mission de base avec le financement par projet, c'est très exigeant. » C'est d'autant plus exigeant qu'il n'y a jamais de garantie que les fonds demandés seront obtenus.

À ce défi s'ajoute que les subventions par projet accordées à Déclic sont très majoritairement attribuées sur une base annuelle ou pluriannuelle mais de courte durée. À titre d'exemple, au cours des observations, un seul projet (Parcours) dont le financement a été renouvelé pour une dernière année, aura été financé sur quatre ans[3]. Ce financement à court terme crée une pression constante sur la direction pour développer de nouveaux projets et diversifier les sources de financement. Or, cette temporalité bureaucratique va à l'encontre des temporalités du terrain. À ce titre, la direction précise que cela prend du temps pour savoir si un projet fonctionne, « savoir si on est au bon endroit avec les bonnes modalités, alors que le financement ne dure pas. » Elle précise que cette temporalité ne permet pas d'assurer les conditions gagnantes pour développer un projet : « On l'a vécu souvent et on ne peut pas se dire qu'on a le temps dans une courte période de s'assurer du succès et de l'échec du projet. »

L'approche du financement par projet exerce enfin une influence considérable sur les modalités de reddition de comptes, et la situation semble s'être aggravée avec le contexte pandémique. Chaque projet nécessite des indicateurs, sans qu'il y ait une unification des exigences et des procédures de reddition. La direction souligne ce défi en déclarant : « On doit remplir des formulaires et des paramètres différents pour chaque projet. » Cette fragmentation pose un défi majeur pour l'approche globale de Déclic, car elle entrave une vision au-delà des projets financés, complique la coordination efficace des activités et compromet la cohérence globale des actions entreprises pour les jeunes adultes, entraînant ainsi « une perte de temps et une perte d'argent monumentales ».

La recherche constante de financement et la gestion complexe créent un stress financier pour Déclic, limitant sa capacité à planifier à long terme. Dans le contexte actuel, caractérisé par le plein-emploi et la pénurie de ressources humaines qualifiées au Québec, la situation se complique davantage. Selon la direction de Déclic, le financement par projet à court terme peut entraver le recrutement d'intervenants, car ces derniers « ont besoin de savoir qu'ils peuvent faire un bout de chemin avec [l'organisme] », c'est-à-dire s'engager sur la durée pour atteindre les objectifs fixés, ce qui est crucial pour établir une relation de confiance avec le public cible. En ayant des ententes de services sur un plus long terme (« renouvelables aux 3 à 5 ans »), la direction estime qu'elle aurait une meilleure perspective pour recruter et maintenir une équipe et « engager une discussion approfondie avec les bailleurs de fonds », notamment les services gouvernementaux comme Service Québec, le ministère de l'Éducation et le ministère de la Santé et des Services Sociaux.

CONCLUSION

Les effets d'un financement par projet à court terme allié à un financement à la mission insuffisant

sont significatifs, et le contexte pandémique a amplifié ceux-ci. Bien que la diversification des sources de financement ait permis à Déclic de répondre aux besoins complexes de son public cible, exacerbés par la pandémie, cela n'a pas été sans difficultés. Les cycles de financement à court terme exercent une pression constante sur les organismes pour développer de nouveaux projets et diversifier leurs sources de financement, ce qui entraîne des répercussions sur ceux et celles qui devraient bénéficier en premier lieu des services de Déclic. Les cycles de financement à court terme ne permettent pas aux organismes de développer une approche cohérente et durable, entraînant des interruptions de services, des ruptures de continuité, un roulement de personnel et une diminution de l'accessibilité qui dérogent à la qualité du service offert.

Il est impératif de mettre l'accent sur l'impact réel du financement par projet sur les personnes les plus vulnérables, notamment en période de crise. La quête incessante de subventions et la gestion complexe qui en découle peuvent créer une instabilité dans la planification et la prestation de services, les cycles de financement à court terme ne permettant pas toujours aux organismes de développer une approche cohérente et durable. Dans ce contexte, il est important de reconnaître que les périodes de crise entraînent une augmentation de la demande, une diversification des besoins et un élargissement du champ d'action des organismes, créant ainsi des défis supplémentaires (Heck et al., 2022). Ainsi, il est préférable d'envisager des ententes de financement sur des périodes plus longues, pour évaluer le recrutement et garantir une coordination efficace des activités. De plus, des discussions approfondies avec les bailleurs de fonds, y compris les services gouvernementaux, sont essentielles pour mieux répondre aux besoins du public cible et garantir la stabilité nécessaire pour établir des relations de confiance durables, notamment dans les périodes de crise où la demande augmente, les besoins se diversifient et le champ d'action s'élargit.

NOTES

1. Le Programme d'action communautaire sur le terrain de l'éducation (PACTE) : http://www.education.gouv.qc.ca/organismes-communautaires/organismes-communautaires/programme-daction-communautaire-pacte/
2. Les mots entre guillemets font référence aux propos des participants à la recherche (à savoir, dans le cadre de cet article, les membres de la direction).
3. Précisons toutefois que dans le cadre de Parcours, si le financement était sur trois ans, son renouvellement devait se faire chaque année, sans certitude encore une fois de reconduction. Et chaque année, Déclic devait signer une entente de service. Quant à la reddition de comptes pour le projet Parcours, elle devait se faire à tous les trois mois.

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The Neoliberalization of the Third Sector Is Almost Complete

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ABSTRACT

This article draws attention to the extent to which third sector organizations have acted as policy catalysts and entrepreneurs for a social investment state, and the extent to which third sector organizations and interests are now dominated by external private and corporate interests. Though the United Kingdom and Ireland are the primary focus, because of the global influence of the British Irish Council and British Council, these developments are now permeating other economies.

RÉSUMÉ

Cet article souligne jusqu'à quel point les organisations du troisième secteur ont agi comme catalyseurs et entrepreneurs de politiques en faveur d'un État priorisant l'investissement social, et jusqu'à quel point des intérêts privés et corporatifs externes influencent actuellement les organisations et intérêts du tiers secteur. L'article porte principalement sur le Royaume-Uni et l'Irlande à cause de la portée mondiale du British-Irish Council et du British Council, mais les tendances qu'il décrit sont maintenant présentes dans d'autres économies.

Keywords / Mots clés : cooperatives, social enterprise, neoliberalization, worker cooperatives / coopératives, entreprise sociale, néolibéralisation, coopératives de travail

POSITIONING SOCIAL ENTERPRISES AND COOPERATIVES IN A MARKET ECONOMY

During the 1974 to 1979 Labour government, there was support in the United Kingdom (U.K.) for social enterprises, cooperatives, and the third sector generally. National legislation and the creation of local cooperative development agencies during this period supported a substantial "on the ground" contribution of cooperatives during the 1970s and 1980s. A submission to the 1980 Labour Party's National Executive Committee working group on workers' cooperatives outlined some of the legislation used by local authorities and others, including the *Local Authorities (Land) Act 1963*, *Local Government Development and Finance (Scotland Act) 1964*, *Town and Country Planning Act 1971*, *Local Government Act 1972* (including Section 137), *Local Government Development and Finance (Scotland) Act 1973*, and the *1974 Superannuation Regulations*. These laws enabled local authorities to support the formation of workers' cooperatives; for instance, the *1974 Superannuation Regulations* enabled investment of up to 10 percent of superannuation funds in local businesses and levied a £0.02 rate to support wellbeing projects.

Other advantageous legislation included the *Inner Urban Areas Act 1978*, *1976 Industrial Common Ownership Act*, and *1978 Cooperative Development Agency Act* (Huckfield, 1980). Nine London Boroughs used loans and grants, with many boroughs appointing an industrial liaison or development officer to assist with start-ups and premises. Other councils that used these laws included West Glamorgan, Strathclyde, Hackney and Brent, Tyne and Wear, Newcastle and Gateshead, Lancashire County, and Milton Keynes New Town Development Corporation. The Wales Trades Union Congress held a one-day conference with Welsh cooperative development agencies and the London Labour Party wrote a proposal for a Greater London enterprise board (Huckfield, 1980).

During the 1980s, 60 local cooperative development agencies, supported by local authorities, provided start-up assistance. Over 10 years, this triggered the creation of 1,176 cooperatives employing 6,900 people—an average of six staff per cooperative (Cornforth, Thomas, Spear, & Lewis, 1988). After 1976, the Industrial Common Ownership Movement (ICOM) registered over 2,700 cooperatives (Cooperative Commission, 2001). Many accounts of the development of cooperatives during the 1980s show up to 1,500 of these organizations (Cornforth, 1983; Cornforth et al., 1988; Knight, 1993; Ridley-Duff, 2009; Sawtell, 2009a, 2009b; Spear, 2006). Worker cooperatives were a widely recognised form of social enterprise (Spear, 2006). The CENTRIS Report shows that, in 1991, there were 150 community businesses and cooperatives with about 8,400 members and shareholders, and an annual turnover of more than £15 million (Knight, 1993). Continued support for this activity was again advocated in Labour's election manifesto of May 1983[1] (Labour Party, 1983).

Despite these earlier commitments, following policy shifts under New Labour governments of 1997 and 2001, throughout the United Kingdom and Ireland, third sector organizations, especially social enterprises and cooperatives, have increasingly been drawn into commercial markets. As a result, many community-based support structures are now converted to external investment and the payment of dividends.

After five decades of path dependency, the neoliberalization of the third sector is now almost complete. As a result of overwhelming support for local state collective and community employment solutions throughout the 1970s and 1980s, which continued in London into the 1990s, the transformation of the third sector under New Labour means that the main representative third sector organizations are now in the vanguard of advocacy for neoliberal solutions. In the U.K., especially in Scotland through the Scottish government's abandonment of funding support for social enterprise networks, many third sector organizations have moved from local accountability to increased dependency on external funding (Pia, 2022). In Ireland, strong policy advocacy by social finance organizations amidst contested departmental oversight in government has also meant stronger emphasis on external investment and diminished local accountability (O'Broin & Doyle, 2023).

These scenarios in Scotland and Ireland mean that representative organizations have ceased to propose necessary frameworks for policy changes for their sectors. In England, these policies were led by a New Labour government, which shifted policy emphasis from cooperatives to more narrowly controlled social enterprises. In an emerging national social enterprise policy in Ireland, key stakeholders have used external policy lobbying, which has shifted the balance towards social enterprises being separated from a mainland European Union social economy approach. In Scotland, the Scottish government's decision to cease funding for infrastructure developed since 1999 by the

Social Enterprise Network Scotland, the main social enterprise support organization, now means that social enterprise policy across the U.K. and Ireland is increasingly dominated by newer "social innovation" enterprises. Many of these enterprises have been established by individual lifestyle social entrepreneurs aiming to solve specific social problems.

U.K. INFLUENCE IN GREECE

The influence of these policy developments has spread beyond the U.K. and Ireland. Greece is a good example of British policy influence. In its 2014 Thessaloniki Programme, the governing party Syriza promised to increase jobs by 300,000, "absorbing the long-term unemployed, particularly those over 55 years, as well as the young unemployed, who would be largely bypassed by economic growth" (Syriza, 2014, para. 5). Some of the actions they proposed were:

- Restitution of the institutional framework to protect employment rights that was demolished by the Memoranda governments.
- Restitution of the so-called «after-effect» of collective agreements; of the collective agreements themselves as well as of arbitration.
- Abolition of all regulations allowing for massive and unjustifiable layoffs as well as for renting employees. (Syriza, 2014, para. 5)

These developments had been influenced by the Movement of the Squares in 2011 in most Greek cities and provided for multiplication of solidarity ventures in its aftermath (Varvarousis & Kallis, 2017). Much current social enterprise development in Greece is indistinguishable from these solidarity movement activities, which "popularised practices previously regarded as marginal, de-stigmatised poverty and promoted social cooperation to combat devastating effects of the crisis" (Varvarousis & Tsitsirigkos, 2019, p. 24).

Syriza's 2016 Social and Solidarity Economy legislation considered social enterprise an important tool for broader societal transformation. The legislation also included workers' cooperatives for the first time, "activities of collective and social benefit," and tighter rules on internal democracy and wage equality (Varvarousis & Tsitsirigkos, 2019, p. 39). This was "a new economic model beyond the imperative of economic growth," that tasked social enterprise with reducing unemployment, empowering local communities, and interacting with new social movements (Varvarousis & Tsitsirigkos, 2019).

Despite the Syriza party's clear preference for a new direction, the British Council's *Greece Social and Solidarity Economy Report* (Temple, Varvarousis, Galanos, & Bekridaki, 2017) depicted a "different picture for these sectors of Greek social enterprise economic activity" (Varvarousis & Tsitsirigkos, 2019, p. 54). Other recommendations include convening a social finance task force, including "social bonds," and legislation to permit private companies to contribute to a "social impact project" (Temple et al., 2017). The report also highlights that the U.K.'s community interest company structure is "less restrictive on sectors of operation and democratic practices" (Temple et al., 2017, p. 88). Though all of this may represent routine policies for British Council and the standard Social Enterprise UK fare, it is at odds with decided political policies in Greece.

CONCLUSION

After five decades of path dependency, the neoliberalization of the third sector is almost complete (Huckfield, 2021). From overwhelming support for national and local state collective and community employment solutions throughout the 1970s and 1980s, which continued in London until the 1990s, beginning with the transformation of the third sector under New Labour, the main national representative third sector organizations are now an advocacy vanguard for neoliberal solutions. In the U.K. and Ireland, especially recently in Scotland from the Scottish Government's abandonment of funding support for social enterprise networks, many third sector organizations have been forced to move from local accountability to an increased dependency on external funding to remain solvent and achieve their objectives.

Politically, despite increasing awareness and support for or local cooperatives and local community structures, their representative national organizations have been diverted into neoliberalism. The latest campaign from Social Enterprise UK, Cooperatives UK, and others is the *Business Plan for Britain*: "When business becomes divorced from social responsibility, then society pays the price. The next election is an opportunity to develop a new approach to business. To ensure that businesses which proactively contribute to our society can thrive" (Darko, 2023, para. 1). After COVID-19 lockdowns, despite an overwhelming need for new local structures, including in energy and housing, this need for local cooperatives hardly penetrates mainstream political agenda. Instead, previous antecedents show that there is an overwhelming need for local economy frameworks.

NOTE

1. In 1980, the author was Chair of the Labour Party National Executive Committee working group, which produced a document on Workers' Cooperatives, followed by a 1981 National Executive Committee statement from which these election manifesto commitments derive.

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Le soutien de la philanthropie dans l'aide à domicile et à la proche aidance au Québec : quelle évolution?

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ABSTRACT
This article reports on the findings of a study conducted in three regions of Québec between 2018 and 2020 with 39 nonprofit organizations and several representatives of philanthropic foundations in the homecare sector. We questioned them about: the evolution of the relations between philanthropy and nonprofits, the role of the State and the population's needs (seniors and their caregivers) over the past twenty-plus years, and also the impact of the COVID pandemic on their more recent activities and planning. The sector has developed significantly but remains poorly financed compared to other social-service sectors.

RÉSUMÉ
Nous avons mené une recherche dans trois régions au Québec entre 2018 et 2020 avec 39 organismes sans but lucratif et plusieurs représentants de fondations philanthropiques dans le secteur de l'aide à domicile. Nous les avons questionnés sur : l'évolution des relations entre philanthropie et organismes communautaires, le rôle de l'État et les besoins de la population (les aînés et leurs proches aidants) depuis une vingtaine d'années, voire plus, ainsi que sur les impacts de la pandémie de COVID-19 sur leurs activités et leur planification récentes. Le secteur s'est développé de façon importante mais demeure relativement peu financé par rapport à d'autres secteurs des services sociaux.

Keywords / Mots clés : home care, COVID-19, philanthropical foundation, nonprofit organization / aide à domicile, COVID-19, fondation philanthropique, organisme sans but lucratif

Le financement public des organismes sans but lucratif (OSBL) dans le secteur des services sociaux au Québec s'est institutionnalisé à partir de 1973 par la création du Programme de soutien aux organismes bénévoles d'abord et ensuite, plus largement, du Programme de soutien aux organismes communautaires (PSOC). Durant la décennie 1980, le soutien aux OSBL s'est accru de 5 M$ à 50 M$; dans le secteur de l'aide à domicile, il est passé de 1,5 M$ à 8 M$, le nombre d'OSBL soutenus passant de 216 à 537 (Jetté, 2008). Si la première politique de maintien à domicile en 1979 n'est pas étrangère à cette hausse, elle cache néanmoins l'inadéquation des fonds accordés au secteur public lui-même, laquelle perdure depuis ce temps jusqu'à aujourd'hui. Ainsi, le secteur demeure peu soutenu par l'État. Il se caractérise par une prestation de services bénévoles, davantage que d'autres secteurs d'activités où les OSBL se sont professionnalisés. Enfin, on estime encore de nos jours que 75% des heures de soutien à domicile sont fournies par les proches et les familles.

D'ailleurs, les rapports récents du Protecteur du citoyen font des constats accablants sur l'incapacité de l'État à rencontrer ses engagements de services à domicile depuis plusieurs années.

À partir de documents officiels du gouvernement (année 2017), nous avons estimé à 100 M$ les subventions aux OSBL, 350 M$ les dépenses fiscales du gouvernement pour les ménages achetant des services sur le marché, et 500 M$ les dépenses de services publics directs à domicile. Par conséquent, dans ce *welfare mix* peu pourvu financièrement, nous nous sommes demandé quelle place avait pris la philanthropie et quels effets celle-ci avait eus sur les OSBL donataires, sur leurs activités et leur pérennisation, au cours des années. Les éléments de réponse que nous avançons sont issus d'une recherche menée entre 2018 et 2020 dans trois régions du Québec avec trente-neuf (39) OSBL et huit (8) représentants de la philanthropie du secteur de l'aide à domicile et aux personnes âgées, et des activités menées au PhiLab avec des fondations et OSBL du secteur (Dumais, Gazzoli, Jetté et Lefèvre, 2020; Gazzoli, Tanguay-Verreault, Dugré et Dumais, 2021).

À partir des années 1960 et 1970, quelques fondations subventionnaires au Québec se sont activées pour la cause des personnes âgées et de l'aide à domicile, comme les Petits Frères des Pauvres, L'Œuvre Léger (aujourd'hui Mission inclusion), Berthiaume-du-Tremblay, et DeSève, quatre fondations créées dans les années 1960. Cas d'exception à noter, la Fondation McConnell soutenait déjà à Montréal l'OSBL de soins à domicile VON (Victorian Order of Nurses), organisme financé de nos jours par plusieurs fondations et qui n'est pas éligible au PSOC.

Depuis 1970, les fondations ont soutenu les centres d'action bénévole (CAB) et les centres communautaires pour aînés (CCA) dans des activités comme la fourniture de repas chauds à la maison (« popotes roulantes »), les déplacements hors du domicile aux fins médicales, les téléphones d'amitié pour rompre l'isolement ou donner un sentiment de sécurité, les activités extérieures en groupe, tant dans les villes que dans les régions éloignées. Au-delà de la valeur monétaire de leur soutien financier, nous avons identifié deux fondations dont les connaissances approfondies du secteur et les décisions stratégiques ont apporté un appui fondamental aux CAB et aux CCA pour la mise en place de leurs services et de formations aux bénévoles. La responsable de l'une des fondations, en parlant de son rôle d'innovatrice, a qualifié celui-ci de générateur d'un « effet levier », par contraste au rôle de l'État d'assurer la pérennisation des services à la population. Bref, ces fondations ont aidé à structurer des réseaux d'OSBL tout en faisant elles-mêmes pression pour plus de financement public en aide à domicile.

Dans les années 2000, la mouvance de nouveaux philanthropes, au Québec comme ailleurs, a donné naissance à des fondations aux moyens considérables (plusieurs dizaines, voire centaines, de millions de dollars capitalisés) qui ont souligné la cause des personnes âgées dans leur mission générale. Citons notamment : la Fondation Lucie et André Chagnon, dont les premiers partenariats avec l'État dans les secteurs de l'enfance et des saines habitudes de vie ont marqué un tournant pour la philanthropie au Québec, la Fondation Mirella et Lino Saputo, et la Fondation Luc Maurice. Par ailleurs, nombre de petites fondations (moins de 25 000 $ d'actifs) ont été créées par des familles pour le maintien à domicile d'enfants ou adultes handicapés, l'achat d'équipements spéciaux ou l'adaptation résidentielle que les programmes publics ne suffisaient pas à combler ou dont elles étaient exclues.

C'est dans la foulée de la seconde politique de soutien à domicile, en 2003, que les besoins des aidants ont été mis en relief. L'Appui pour les proches aidants, un fonds partenarial public-philanthropique créé en 2009 dont la famille Chagnon a fourni 25% du capital, s'est donné la mission de développer des services d'information, de soutien psychosocial, de formation et de répit dans toutes les régions du Québec. En une décennie, l'Appui a octroyé 200 M$ à des centaines d'OSBL sur appels de projets (600 projets dans 300 OSBL durant les cinq premières années), avant même que le gouvernement ne développe sa propre politique de proche aidance en 2021.

Par exemple, sous l'impulsion de l'Appui, les Sociétés Alzheimer, qui faisaient depuis 50 ans des levées de fonds en matière de recherche, ont commencé à déployer des services de répit aux familles dans plusieurs régions du Québec et ont obtenu de très bons financements à cet égard. Toutefois, des OSBL très innovants, dont la réputation dépasse les frontières du Québec, ont refusé les donations de l'Appui afin de conserver leur autonomie, comme la Maison Carpe Diem en Mauricie et Baluchon Alzheimer (aujourd'hui Baluchon Répit long terme), soutenu à 80% par l'État et à 20% par des donations privées. Bon nombre d'OSBL sont d'ailleurs restés critiques par rapport au décentrement relatif de leur mission première en contrepartie du financement accru qu'ils ont reçu pour la proche aidance.

Des entreprises d'économie sociale en aide domestique (EESAD) ont obtenu d'importantes subventions de l'Appui pour dispenser des services de répit un peu partout dans la province. Le Centre de jour Évasion, réputé au sein des communautés multiethniques, a fait de même dans plusieurs quartiers de Montréal.

Certains OSBL, peut-être avantagés par rapport aux plus petits organismes lors des appels à projets, ont bénéficié de montants importants. Dans le Bas-Saint-Laurent par exemple, trois EESAD et quatre CAB ont proposé 35 projets qui ont obtenu, parmi une vingtaine d'OSBL, la moitié des 3,6 M$ distribués en dix ans par l'Appui. En Mauricie, pour la seule année 2016, six CAB ont reçu du réseau public entre 100 000 $ et 300 000 $ chacun, l'un d'eux allant chercher 50 000 $ additionnels de l'Appui, tandis qu'un autre a pu compter durant sept ans sur l'apport annuel de 6 000 $ des Œuvres Léger/Mission inclusion. Par comparaison, sur une période de cinq ans, l'Appui a accordé 10 M$ à 30 OSBL à Montréal tandis qu'Œuvres Léger/Mission inclusion a aidé 75 OSBL pour 1,5 M$ dans dix régions.

La puissance de financement des fondations varie grandement et notre recherche a montré que, malgré certaines convergences, leurs pratiques de distribution de fonds tendaient à se différencier. Ainsi, les OSBL ont apprécié la flexibilité de certaines fondations avec lesquelles ils ont noué des liens de confiance et de reconnaissance au fil du temps. En revanche, bon nombre de fondations optent dorénavant pour des appels à projets et exigent en retour une reddition de comptes des OSBL. Bien qu'elles le fassent de façon plus ou moins serrée, cette manière de procéder tend à avantager les plus nantis des OSBL donataires. D'autres pratiques de partenariat entre fondations (ou consortiums) s'avèrent efficaces pour le soutien aux OSBL de toute une communauté ou région. Par exemple, durant la pandémie de COVID-19, la flexibilité et les liens de proximité déployés par ces partenariats ont joué un rôle clé dans la mise en œuvre du soutien d'urgence aux OSBL et aux personnes âgées.

Finalement, est-ce que les grandes fondations, avec leurs moyens financiers, ont impulsé des effets plus structurants dans les vingt dernières années que dans le passé? Nos constats indiquent qu'en matière de proche aidance, l'Appui a eu des effets significatifs. Il a considérablement rehaussé l'offre des services d'écoute, d'information, de répit-gardiennage à l'échelle de plusieurs régions, et ce de manière à faire converger les OSBL sur des objectifs communs. Mais il a aussi un peu déstabilisé les dynamiques de concertation existantes et fragiles, laissant une impression d'hétéronomie aux volontés régionales et aux OSBL établis. Des tensions parfois créatrices, parfois déstabilisatrices, se sont déployées dans son sillon.

En conclusion, les fondations ont accompagné la consolidation d'organismes et de réseaux communautaires en soutien à domicile et aux personnes âgées, bien qu'elles financent toujours les OSBL sur une base résiduelle par rapport à l'État sans leur garantir de pérennisation. Les OSBL que nous avons étudiés critiquent davantage le manque de financement de l'État que les actions des fondations, même s'ils n'épargnent pas totalement ces dernières. Ainsi, au sein de la configuration du welfare mix dans l'aide à domicile et à la proche aidance, la philanthropie a rehaussé le volume d'heures de services aux populations par le biais de financements accrus. Mais elle participe toujours à une logique d'action publique résiduelle où les conditions de travail et de vie des salariés, des bénévoles et des aidants, souvent des femmes, sont généralement précaires.

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Book Review / Compte-rendu

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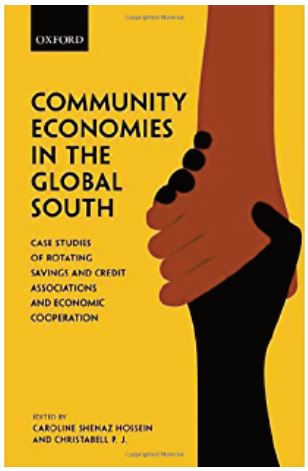

Community Economies in the Global South: Case Studies of Rotating Savings and Credit Associations and Economic Cooperation. *Edited by Caroline Shenaz Hossein & Christabell P.J.* Oxford, UK: Oxford University Press, 2022. 288 pp. ISBN: 9780198865629.

Community Economies in the Global South will soon be regarded as a seminal text in the diverse economies tradition and required reading on rotating savings and credit associations (ROSCAs). This collection of essays makes a significant contribution to the study of financial practice in the Global South, specifically through the lens of ROSCAs, and more generally, to intersectional scholarship on financial practice. The key contribution applies a decolonial and antiracist sensibility to the feminist exposition of informal financial economies. In doing so, the volume's contributors illustrate deep historic roots of group-based financial practice prior to and in the margins of capitalism.

The essay series qualifies financial practice through the lens of lived experience, some of which is deeply personal. ROSCAs constitute an area of practice where most people will have little exposure and even less first-hand knowledge. In fact, these varied practices and systems have no conceptual corollary in the English language. Shirley Ardener's term "ROSCA" fulfills a descriptive need in this burgeoning literature. But to really understand what ROSCAs are, both in their functioning and broader significance, nothing compares to observing up-close the workings of association. Whether we are learning from examples such as Tandas in Peru which help finance women-owned businesses in a collaborative context; about Susu in the Caribbean which provides women there a wider support system engendered through democratic financial associations; or about Ajo in Nigeria and Chama in Kenya which are used to promote self-reliance and grassroots economic power—these variously named systems speak to a common experience. The authors provide no fewer than thirty unique terms for the informal systems used as a corrective against financial discrimination and exclusion. Participation in cooperative systems disturbs the sanctity of banks and speaks to a diversity of financial experiences neglected in capitalist political economies.

The volume stands on the shoulders of three publications which have laid a foundation for applying diverse economics to informal deposit-pooling systems. Foremost in this set is Shirley Ardener and Sandra Burman's text *Money-Go-Rounds* (1996) which documents the phenomena of ROSCAs and theorizes their advantages specifically to women. The text also draws support from Elinor

Ostrom's (2009) work on the governance of complex economic systems, which confirms that the overharvesting of common resources—contrary to the now-falsified "tragedy of the commons" thesis—is often prevented in practice through the creation of systems that prioritize social provisioning and mutuality. Most essentially, the volume is emblematic of the "diverse economies" tradition of J.K. Gibson-Graham, and it contributes to this approach a sensitivity to race, ethnicity, and the colonial "othering" of minority groups in formal financial spaces. The lived experience of financial alienation is clearly differentiated along the lines of identity and geography. Scholarly attention to this reality is overdue.

The authors define ROSCAs variously as mutual aid groups in which members pool and share money according to an agreed upon protocol. Such groups are widely accepted as a convenient interface of savings and debt. Members pool money, typically on a weekly or monthly basis, and then the money is distributed to individual members according to a decision of the whole. Among ROSCAs in Peru, for example, rounds of "lotteries" are often used to randomize the order in which weekly payouts proceed. In one specific group, women contribute $30 per week and are able to receive one $300 payout every ten weeks. In five of the groups surveyed, a predetermined payout ordering was used and tended to reflect a group judgment upon one's level of need, seasonal needs, and seniority. When surveyed, participants responded that their savings are mostly invested in their businesses, and sometimes spent on household expenses and covering debt.

The convenience and cost effectiveness of ROSCAs make them particularly useful for women, as the evidence shows they are more likely to be the head of their household, and in addition to household labour, women carry a responsibility for supporting the family's income. Rather than waiting on banks to meet their ill-serviced needs, women across the world turn to grassroots and peer-based solutions. This is about as far as generalization takes us, as ROSCAs are unregulated entities and tend to vary in their organization both within and across countries. The rules that ROSCAs follow similarly depend on the membership of the group, but they tend to emphasize consensus and reciprocity. ROSCAs are not "primitive cooperatives," and the authors argue this term functions to analytically privilege formal organization. Rather, ROSCAs are effective precisely because of their informality; owing to their basis in trust and community, and specifically, to the fact that they are owned by local people invested in each other's success.

The authors offer an invaluable set of interventions describing the social and material dimensions of alterity and the "othering" of community economies under capitalism. These interventions dispense with many outdated assumptions about finance, and they showcase rather than simply name the diversity of ethical financial forms. This exposition of diversity persuasively dispels the structural logics of capitalism-Marxism, and it illustrates interpretivism as a more useful and analytically unbiased framework for understanding varieties of financial conduct. Around the world—in the Americas, Africa, and Asia specifically—the authors show that real people in complex political environments consistently choose humane, inclusive money systems "because they are ethical and good" (p. 6). And these are not alternative systems forged in necessity or the anti-capitalist crucible of resistance. ROSCAs are Indigenous, pre-colonial practices that, we are told, exist now and always have; persisting in the agency and expertise of communities because they provision tangible benefits and preserve the cultural being of their members. This is shown to be particularly useful in the

context of exclusion or oppression, however these are not the only nor the principal conditions under which ROSCAs thrive.

Although this is not principally a theoretical book, I would be negligent not to comment on two generalizations that I believe offer a tacit and enduring lesson on the politics of finance. The first is a modest and yet elegant illustration of the political good that can be conducted through finance. The contributors persuasively show there is nothing intrinsically unethical or immoral about financial practice, and that the exploitative conduct of financial institutions reflects a normative choice which is made in practice and maintained in systems of governance. Moreover, finance deployed in pursuit of sustainable growth, consumption smoothing, and community investment can come in many potential forms—they are not always immoral or undemocratic, nor are they essentially speculative or destabilizing.

The second generalization is instructive on the politics of financial scholarship, marking the text as a significant contribution to postpositivist, decolonial, and feminist political economy. The inventory of discourses, events, policies, practices, subjectivities, and forms of association provided here opens money and finance to a new kind of examination. Diverse economies scholarship prioritizes anti-essentialist and post-structural analyses, and these are deployed to challenge the capitalist and colonial privilege assigned to formal organization which has broadly failed to promote equitable and sustainable ways of living. The volume masterfully attends to a multiplicity of power and social difference, yielding only to the fecund and prolific heterogeneity of practice and demonstrating by example a more ethical practice of scholarship.

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Book Review / Compte-rendu

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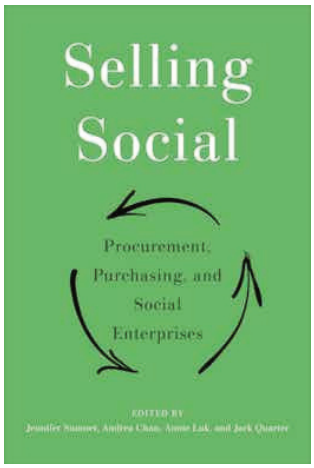

Selling Social: Procurement, Purchasing, and Social Enterprises. *Edited by Jennifer Sumner, Andrea Chan, Annie Luk, & Jack Quarter*. Toronto, ON: University of Toronto Press, 2023. 296 pp. ISBN: 9781487524500.

This book is the result of a three-year Canada-wide research project investigating the state of social procurement and social purchasing in 19 work integration social enterprises (WISEs) providing training and employment to marginalized individuals. Part 1 of the book provides an overview of the literature, federal government policies for procurement and purchase with social value, and the results of a unique survey showing surprisingly low participation by Canadian social enterprises in pursuing formal social procurement. Part 2 is based on the study of four social enterprises that have secured large contracts by investing in what the authors call relationship building. Part 3 details five cases where the role of a parent organization's support was key for social enterprises to bid on contracts. Part 4 focuses on the dilemma of five social enterprises regarding their decision to market or not to market the social value dimension of their work. Finally, Part 5 explores the challenges of five social enterprises in managing the concept of multiple bottom lines while pursuing social procurement opportunities. The conclusion discusses some future directions for the study of WISEs' participation in procurement and purchasing procedures.

This is an insightful book, and the reader will learn much from it. The focus is on the participation of social enterprises in the formal process of procurement, rather than in the more informal process of having its goods or services purchased by government agencies or authorities. That is because social enterprises have a better track record of participation in the latter than in the former. It appears that the size of the social enterprises (measured by total revenues) and their self-rated capacity for preparing proposals matter. However, making connections and building relationships with purchasers can also be helpful. Knowing how to demonstrate an enterprise's social value and impact is also an asset. But in all cases, many obstacles will be faced, and the cost of participating in procurement can be considerable. There is much to be said about funding and increasing capacity building of social enterprises in harnessing the power of procurement and purchasing procedures.

The potential for social enterprises is huge if governments truly consider social and environmental value or benefits when making purchasing decisions. But price and quality still dominate the decision process, social enterprises are hesitant and ill-equipped to prepare and submit bids, and there is a scale-up challenge in being able to fulfill a large successful order. However, breakthroughs are

possible, sometimes by having several social enterprises bidding together as a supplier to meet the scale of the order. A lot could be achieved with closer links being established between social enterprises and organizational purchasers to demystify the process and educate the social economy bidders on how to respond to the tender.

Social enterprise leaders and those responsible for purchasing and procurement decisions in the public or private sectors will gain much knowledge from reading this book about how to close the gaps that separate them still in establishing closer and tighter supply-chain relationships. Researchers and students interested in the social economy will also, by reading this book, deepen their understanding of how difficult it is to make the market economy work for organizations preoccupied by the conditions of citizens who are marginalized, disabled, or living in precarity.

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