

**Encouraging the Social Economy through Public Policy:
The Relationship between the Ontario Government
and Social Economy Organizations**

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In the aftermath of the Voluntary Sector Initiative, an historic undertaking by the federal government and the voluntary sector to redefine their relationship (2000-2005), it is only natural to speculate on the nature of the relationship between the voluntary sector and provincial governments in Canada. Have the federal level attempts to reconceptualize the role of social organizations in the policy process been replicated at the provincial level? The short answer is a disappointing but unequivocal no. However, a more focused look at the provincial level of government and the role social economy organizations play in policy development and execution yields a more interesting answer. In particular, an examination of the relationship between social economy organizations and the Ontario government reveals that while a comprehensive reordering of relations between the two sectors has not been attempted, significant changes in the relationship have occurred. This paper attempts to capture the effects of some of those shifts by offering a snapshot of the current state of the relationship.

Concern within the public sector over the relationship with organizations has arisen in response to two key trends. The nature of the state has changed from more interventionist to more facilitative. As the state has become increasingly hollowed out, it has come to rely on the private sector and nonprofit organizations in all facets of the policy process, and especially for expert and technical advice, research and program feedback, information delivery, and service provision. As organizations have come to play a greater role in the policy process, concern has arisen in government over both the accountability and capacity of these partners in policy. These concerns are heightened

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by the second trend, an explosion in the number of organizations representing citizens and providing services to them. As disillusionment with the state has grown, citizens have increasingly turned to organizations as intermediary organizations expected to represent their interests to the state but also provide services from the state. A key dilemma for the state then becomes how to reinforce the accountability and capacity of the sector without undermining its autonomy or vitality.

This paper examines the means that the Ontario government is using to both invigorate and strengthen the capacity of social economy organizations to better serve citizens. The paper begins by identifying three objectives that are critical to this exercise and then develops a continuum for characterizing the means that governments can use to animate the sector ranging from enabling to enforcing. Using this framework, the paper assesses the state of relations between the Ontario government and social economy organizations and the effectiveness of the state in supporting and promoting the sector to the benefit of citizens. At times coercive measures are misapplied and undermine the objectives of the government while at other times stronger state actions would operate to the benefit of citizens. The paper concludes with speculations on the appropriate criteria for determining when the state should act in a more facilitative or coercive manner in order to ensure that both sector and citizen needs are well-served.

The paper has three objectives. First, it will contribute to the current understanding of the the relationship between the Ontario government and social economy organizations. Second, it will provide a basis for understanding how provincial governments and social economy organizations can work together more effectively given their redefined roles in society and the economy to produce better results for the citizens they jointly serve. Third, it will advance the knowledge in the field of public policy by providing a basis for assessing the effects of specific policies and programs on the health of the social economy, the creation of social capital and building and sustaining a healthy democracy.

The term “social economy organizations” is used throughout this paper although it has not been generally used in the literature on Canada’s nonprofit and voluntary sector (Browne, 2000: 65). More commonly used are terms such as: the third sector, civil society, charities, voluntary sector, non-profit sector, and non-governmental organizations (Browne, 2000: 65; Tremblay et al, 2002: 20; Browne and Welch, 2002: 102). Even in Quebec, where the term social economy is used much more frequently, there is not agreement on what constitutes the social economy (Tremblay et al, 2002: 21). Social economy organizations are generally understood as those that are neither private nor public. (Quarter, 2000: 55; Tremblay et al, 2002: 21). However, there is no clear dividing line between the three sectors, as many social economy organizations receive

government funding, sometimes in substantial amounts, or participate in the market economy (Foster and Meinhard, 2002: 32; Quarter, 2000: 55).

For the purposes of this study, a broad and inclusive definition of the social economy will be adopted that includes voluntary organizations, registered charities, incorporated non-profits, co-operatives, credit unions, mutual insurers, community economic development corporations, and unincorporated formal associations that pursue a wide range of social objectives (Quarter, 2000: 55; Quarter, 2000: 57). While this broad definition of the social economy encompasses a wide variety of organizations, they do share many but not necessarily all of the following attributes:

- a social mission with economic value, giving primacy to social objectives (Quarter, 2001: 57; Tremblay et al, 2002: 22; Browne and Welch, 2002: 102);
- no shareholders and instead surplus earnings are reinvested in the social objective(s) of the organization;
- governing principles of democracy and reciprocity and are community-based, although some may be more hierarchical or formal in structure;
- reliance to various extents on the voluntary contribution of time and money (Quarter, 2000: 57; Quarter, 2001: 63; Tremblay et al, 2002: 21; Browne and Welch, 2002: 102).

Social economy organizations, by definition then, are a vital part of the social and economic fabric of Canadian life.

Owing to the definitional ambiguities in the research on social economy organizations, a precise measure of the sector is not possible. The 2003 National Survey on Nonprofit and Voluntary Organizations (NSNVO) provides insight into the significance of the social economy in Ontario although it only tracks nonprofit and voluntary organizations (Scott et al, 2006: 2). According to this survey, there were 45,360 nonprofit and voluntary organizations, including registered charities and incorporated nonprofits, in Ontario in 2003 with a reported \$47.7 billion in annual revenues (Scott et al, 2006: 3; Scott et al, 2006: 12). These organizations employ 958,678 people, or one sixth of all employed Ontarians, in addition to 7.8 million volunteers (Scott et al, 2006: 29; Scott et al, 2006: 35). In addition to nonprofit and voluntary organizations as defined by the NSNVO, there are over 1,900 co-operatives, credit unions and caisses populaires in Ontario, with over 2.3 million members (Canadian Co-operative Association, 2007: 1). One definite conclusion is possible from this data: the social economy is a vibrant part of Ontario's social and economic life. And, judging from the trends in other jurisdictions, the Ontario government is likely to increasingly expect more of the social economy in servicing society and in maintaining the social and economic fabric (Brock,

2000; Hudson, 1999; Ingraham et al., 1998; Lewis, 1999; Salamon et al., 2005 (?), 1995; Kendall, 2003).

Building a Relationship: Objectives and Means

There are three main objectives for the state in buttressing the social economy and voluntary sector. The extent to which the means chosen by the state achieve or are at least consistent with these objectives can provide a basis for assessing the relationship of the state and sector, or in the case of this paper, the relationship of the Ontario government to the social economy.

First, successive studies have documented the benefits of a vibrant civil society and citizen participation in organised and informal activities. High levels of voluntary activity promote a general sense of social responsibility, build social ties and contribute to a healthy society, variously defined, as well as to individual mental and physical health (Bouchard, Roy, and van Kemenade, 2005). Putnam argues that organisations have the potential to bridge differences in society, or to help communities attain a sense of strength and identity that may then help their members engage in the broader society (Putnam 2000, 22-24; cf. Barber 1984, 207-9; Naidoo and Tandon, 1999 3-4, 7-13; Mbogori and Chigudu 1999). And, as De Tocqueville noted so long ago and others have since echoed, volunteer activity is likely to foster stronger attachments to democratic institutions while reducing apathy and disaffection (Barber 1998, 38-68; Barber 1984, 213-260; Putnam 2000, 1996; Clark 1995; Cohen and Rogers 1995; Hirst 1995, 101-113; Parr 1999, 264-273). Strong voluntary associations can also strengthen society and democratic institutions by serving as a counterbalance to the pressures of globalisation which can lead to the withdrawal of symbolic elites from their communities and to a weakening of the sense of civic pride (Barber 1996, 271; 276-88; cf. Reich 1992). Thus, any state actions to support the social economy should enhance the ability of organizations to promote engagement, belonging and democracy.

The second reason for the interest of governments in fostering the social economy is more pragmatic. Despite the well-documented benefits to state and society from a vibrant civil society and social economy, successive studies have recorded serious fluctuations in voluntary activity and the sense of social responsibility on the part of citizens. Robert Putnam issued the first warning calls in Bowling Alone where he offered a compelling account of the withdrawal of citizens from political, social and religious organisations with negative consequences for the health of the individual and society alike (Putnam 2000). While this thesis is hotly contested (Ladd 1999; Ladd 1996; Greeley 1996; Wellman and Gulia 1999; Pettinico, 1996; Cohn 1998), Putnam's

arguments have instilled a sense of disquiet among academics, the third sector and public figures.

In Canada, measurements of the levels of volunteering and sense of social responsibility are also disputed but give cause for concern. Successive versions of the National Survey of Giving, Volunteering and Participating have revealed that volunteering has generally increased since 1987, both among the general population everywhere in the country and among youths everywhere except in Québec (Hall et al. 1998, 27-32; Statistics Canada, 2005; Caldwell and Reed 1999; cf. Febbraro 2000). Indeed, rates of volunteering reach 54% in Saskatchewan, 52-3% in Northwest Territories and Yukon, 50% in Ontario and 48% in Alberta and Nova Scotia, falling to a “low” of 34% in Quebec (Statistics Canada, 2005). However, there is a perception among academics, the Ontario government and some third sector organisations like the Social Planning Council of Metro Toronto, that the number of people volunteering and the amount of time they give started to decline in the 1990s (Howe and Reed, 1999). This fear is particularly strong for youths (15-24 years of age). Given that volunteer activities early in life promote civic engagement at all levels later in life, this seeming trend bodes ill for the future of civil society. Even more worrisome is the fact that the National Survey of Giving, Volunteering and Participating (2005) confirmed that charitable and other nonprofit organizations depend heavily on a relatively small group of volunteers for unpaid help. In 2004, the top one-quarter of volunteers (11% of Canadians) who contributed 180 hours or more accounted for 77% of total volunteer hours. Further, 10% of volunteers who contributed 417 or more hours during the year, provided over half (52%) of all volunteer. Statistics like these have heightened the sense of unease among policy-makers. The onus is falling upon governments to sustain high levels of volunteering but to expand the pool of volunteers and participants in the social economy.

The third reason for the state to promote the social economy and voluntary organizations in general is derived from the changing policy world and roles of the state, private sector and social economy (Brock and Webb, 2006). We have entered a century of contradictions that is fundamentally challenging the operation of the public, private and social economy sectors as well as relations among and within each sector. Globalization involves a promotion of free market values in the movement of labour, capital and goods and yet engenders calls for restraints on the actions of corporations and global actors (Gidron, 2006). It inspires a worldwide commitment to human rights and international justice and yet generates desires for respect for local values and traditions. World conflicts rise while talk increases of the need for reconciliation and tolerance. Individualism and individual rights are emphasized even as the need for collective action to deal with societal and economic problems grows. Citizens call for

governments or institutions of governance to manage and resolve global and domestic problems and yet subject any decisions or actions to an unprecedented level of scrutiny and accountability. Citizen expectations of global and domestic decisionmakers as policy actors are rising even while their disillusionment with the public and private sector actors is increasing and trust declining. The knowledge and information available to individuals has increased exponentially thus giving rise to challenges to authority while providing no ready solutions or consensus on the manifest difficulties facing communities. Policy problems are at once global and yet with local manifestations; polycentric but with specific impacts. And the traditional institutions of the public, private and nonprofit sector are called upon to do more even as they realize their own impotence. The three sectors are reacting differently as these forces sweep across them. Their reactions are reshaping the basis of cooperation among them in addressing common social and economic problems.

A report out of the Independent Sector on *Working Better Together* (Scott, 2002) captures the reactions of the three sectors to this new environment of policymaking where lines of responsibility and authority among them are increasingly blurred. According to this report, business is generating more wealth with benefits for governments and charities, linking charitable support with corporate performance, seeking out new markets in public and nonprofit traditional areas, engaging in corporate social responsibility practices, promoting business performance models across the three sectors, realigning corporate contributions and civic leadership to correspond to the new economy, and influencing public affairs indirectly by impressing the corporate model on the public imagination and directly by public activities such as lobbying and advertising. At the same time, the nonprofit sector is redoubling its efforts to meet rising demands as a service provider and advocacy sector by reflecting on its role, rethinking means of obtaining mission goals, aspiring to be more equal and stronger partners with the other two sectors without sacrificing values or missions, adapting to the new generation of philanthropists and volunteers, and striving to build core capacity to meet demands and rise to public and private sector expectations including the renewed emphasis on accountability and transparency. And we would add, nonprofit organizations are learning to be competitive with rival public and private agencies while building skills for collaboration. Not to be outdone, governments are moving towards governance and away from the command and control form of state leadership, adopting accountability and performance measures that resonate with the corporate sector, rethinking the roles of social institutions, establishing more effective social, economic and policy frameworks to guide the sectors, developing roles and instruments as catalysts, brokers and partners and improving performance by adopting best practices from the other sectors. And, as Robert Reich has observed, leaders from the three sectors are increasing engaging in transactional leadership and positioning

their organizations rather than developing visions of the public good (Reich 2001). In sum, the lines between the sectors are blurring and cooperation is necessary if conflict detrimental to the public interest is to be avoided.

The self-searching of the three sectors has resulted in significant shifts in the ways the sectors engage. Traditionally relationships between nonprofit organizations and governments, as between nonprofits and for-profits, have been characterized as conflictual, competitive and unequal. In this view, nonprofit organizations were cast as critics of the state or as being threatened by state intervention. However, Benjamin Gidron, Ralph Kramer and Lester Salamon (1992) have refuted this depiction in favour of a much more complex characterization of the relationship. They argue that the relationship between the state and the nonprofit sector will be influenced by the functions each side performs, the method of financing, the historical context, as well the political culture and social context of the relationship. Indeed, state and nonprofit agencies like private and nonprofit sector organizations might have multiple sets of relationships depending on the aspect of the relationship being emphasized. The nature of relationships between governmental and nongovernmental organizations and private and nonprofit agencies could range from insular to collaborative to partnering to mergers, with benevolence or animosity characterizing each stage depending on the underlying power relations (Phillips and Graham, 2000; Parker, 1999). While relations that are less integrated may be characterized as government or business dominant with the nonprofit sector dependent on those actors for funds, relationships that are more integrated and functional will result in the three sectors sharing decisionmaking authority and responsibility (Gidron et al., 1992, 16-19; Parker, 1999, 37-8; Meinhard et al., 2006) and more closely respond to the redefinition of roles of each sector.

Thus, the third objective of government reflects the complexity of contemporary policy. Government must foster the ability of social economy organizations to serve as partners in policy in such a way that reflects the changing and blurring roles of each sector. The government requires a variety of different types of actors in order to execute policy decisions in a responsible and effective manner. This entails measures that reach beyond the social economy organizations themselves to include corporate actors, reinforcing social responsibility on both parties (Danley 1994; Held 1999; Ryan 1995; Taylor 1994; Wood 1995; Browne, 1997; Forcese 1997; Sagawa and Segal, 2000; Broadbent 2000). The question is not whether these forms of state action are necessary but to what extent and how. We turn to the means now.

There are two opposing roles that governments might adopt in an attempt to invigorate the social economy and its institutions. One option is for governments to act in an enabling capacity. In the fullest expression of this role, government would act as a partner to social economy organizations in the development and implementation of policy. Social economy organizations would have an equal part in the design and implementation of policy and government would provide monetary or other support to the sector where the sector leaders identified it was needed to enable them to participate fully with government. Governments would act as enablers by both opening the policy process to relevant organizations and then providing any necessary support to ensure that the organizations could take advantage of the opportunity while respecting their autonomy and independent decisionmaking process. A good approximation of this type of relationship was the federal government-voluntary sector initiative in Canada, particularly between 2000-2002, although a fully equal partnership was not realized (Brock, 2005).

At the other end of the spectrum, the option is for government to act in an enforcement capacity. In the strongest expression of this role, the government would enact legislation, most often unilaterally defined or with limited consultation, and attach penalties and sanctions, to force compliance with expected standards or behaviours. Penalties could be executed either through special tribunals and administrative bodies or through the police and courts. In this capacity, government is acting in a directive and activist role, assuming the responsibility of defining the necessary behaviours or standards, policing the agents, and ensuring compliance. An example would be the Canada Revenue Agency defining what a charity is, registering organizations under its code and then monitoring the activities of organizations to ensure they comply and revoking their charitable status when they are deemed in conflict.

Between these two extremes, there are a range of actions that government might adopt to support and promote the social economy in its work (see table 1) ranging from cooperative to coercive. As partners, the state and organizations engage as equals in the promotion of commonly defined policies and goals. In the case where an Accord between the state and the sector has been signed defining the relationship and setting out the rules of conduct, both actors respect the autonomy of the other but there may be a slight inequality with the state dominant in certain areas of the relationship (ex. defining funding). Still, the relationship will be collaborative with the sector agents acting as participants and active advisors where the state is empowered to act in ways defined by the two sectors in the accord (ex. Canadian federal government and voluntary sector accord and codes of good conduct or the British compacts between the government and voluntary sectors in England and Scotland). In the third category of

enabling actions, the state will actively seek out opportunities to support the sector, for example by offering organizations money to assist with a responsibility without the agency either applying for it or reporting back on the expenditure, or for example by creating an organization to provide a service or perform a function (ex. Ontario government assistance to a Kingston organization with moving expenses). The state is empowering the sector but acknowledging its independence. In a more passive role, the state will provide information necessary for organizations that organizations may access themselves through the internet, newsletters or other means (ex. information on grants organizations may access, information on AIDS, posting charities rules). Here the onus is on organizations to seek opportunities. In its softest or weakest role as an enabler, the state may exhort action and offer praise or rewards when compliance is evident (ex. volunteer awards). The state acts much like a kind and encouraging parent or teacher here.

State as Enabler						State as Enforcer					
Hard			Soft			Soft			Hard		
Partners	Accord	Seeks out opportunity to support	Promotes common goals	Provides Information	Exhorts Action Praise	Exhorts Action Threats	Eligibility rules	Tied Aid	Regulations	Legislation	Legislation penalties
Cooperative Equal	Collaborative	Benevolent	Kind	Passive	Parental	Parental	Guardian	Directive	Imposing	Mandate	Coercive Unequal

On the other side, the state acts in an enforcement capacity with its hardest form of action consisting of legislation or common law rules (slightly softer than codified legislation) with defined penalties and sanctions (ex. legislation registering and governing nonprofits). Legislation without penal sanctions would be a more moderate form of coercive action (ex. a law recognizing an organization). Regulations still impose the will of government on the organizations but are easier to change (ex. setting standards in service provision). Funding can be an enabling mechanism but when it is directly tied to certain types of behaviour or standards, then it is more coercive (ex. reporting requirements for grants; ex. providing services to a specific clientele that an organization may not have included in the past; ex requiring two organizations to merge in order to receive their normal allocation of funding to provide a service). Tied aid can be very coercive if it affects the ability of an organization to comply with its own mission. Eligibility rules for programs, service provision or funding are also coercive. However, they may be deemed less coercive than tied aid if the exclusion is voluntary and an organization has other avenues for obtaining similar support (ex. tax incentives; ex. a state sponsored grant that is supplemental to an organization’s main work or a new program being offered to organizations in a particular sector such as support for girl’s hockey to hockey organizations). On the softer side of the continuum lies

exhorting certain types of action but with threats attached. For example, a funding department may threaten the relationship with an organization if that body does not comply with new accounting measures or the mandate of a new government or is too vocal in criticizing the bureaucracy. This is a grey area since praise can become an implied threat as well.

While the continuum is generally helpful in characterizing the different types of actions that the state might take to support the sector, it should be noted that enabling actions may shade into more coercive ones in certain contexts and vice versa. For example, officials from a particular government department and organizations operating in a particular policy area may identify a problem with renegade or badly governed organizations in that sector which threaten to tarnish the credibility of all organizations providing that service. Together, they would define the appropriate sanctions and necessary legislative measures to ensure certain standards are met. Here, a coercive form of state action becomes an example of the state and sector operating in a collaborative manner. Another example might be legislation requiring corporations to provide employees with the opportunity to volunteer for a social economy organization during working hours with sanctions imposed on corporations that forbid their employees to do so. Similarly, the types of action correspond to the three objectives outlined above with the promotion of the sector and civic engagement generally tending to align with enabling actions. However, coercive action may be necessary to ensure that societal needs are met broadly within the sector and may be viewed as a positive force. Finally, many programs carry with them the implicit threat of penalties or withdrawal of funding if an organization does not comply with expected or stated norms—positive support may have an implicit enforcement clause. As in most areas, shades of grey characterize the application of the criteria as the case of Ontario illustrates.

The Ontario Government: Enabling Enforcement²

It is a truism to state that most governments in Canada have complex relationships with the social economy and voluntary sector. On one level, the relationship between state and society is so embedded in the way described by Alan Cairns that it defies characterization except in the most general way (Cairns, 1995). Certainly, the relationship between the Ontario state and social economy is embedded: a complex network of programs, obligations and interests tie government departments to citizen

² The data in this section were drawn from primary government documents, academic sources, and selected interviews with public sector and social economy officials representing different levels of authority and different types of relations between the two sectors. The data is representative, not comprehensive.

organizations. Like the embedded state in Cairns' analysis, the Ontario government has reduced maneuverability to change direction at will. Similarly, the social economy and voluntary sector are tied to the Ontario government as well as the federal government through various programs and funding regimes. This embeddedness was only deepened by the winds of neoliberalism that swept the province in the 1990s as elsewhere (Meinhard et al, 2003:1; Foster and Meinhard, 2002: 28). The National Survey of Nonprofits and Voluntary Organizations captured this dependency: organizations in Ontario rely on governments (45%), earned income (36%) and gifts and donations (15%) for their revenue (Scott et al, 2006: 16). In a study of charitable social service organizations in Ontario more than three-quarters of organizations listed a provincial government department as a major funder (Reed and Howe, 2000: 12). That being said, the complexity and nature of the relationship can be captured using the continuum developed above. If a general character is to be applied to the relationship, it would be one of "enabling enforcement."

As mentioned at the outset of the paper, one of the most striking features of the relationship between the social economy and Ontario government is the absence of an overall framework agreement or structure, particularly in the aftermath of the federal government-Voluntary Sector Initiative (VSI) and the signing of an Accord to frame that relationship. Given that many of the lead organizations in the VSI have head offices located in Ontario it seems curious on one level that no demonstration effect followed causing the VSI to be replicated in the province. However, three factors prevented this occurrence. First, the Ontario was a passive but attentive observer of the federal process and did not indicate an inclination to repeat the experience given the difficulties and the relatively weak outcomes of the process. Instead, it "cherry picked" key programs, such as information technology support and upgrades to the sector, and participation in the International Year of the Volunteer by recognizing the service of these worthy individuals. Second, the VSI was exhausting for officials from both sectors. The energy was not present among the same officials to then begin the effort to drive the issue onto the provincial government agenda when the province did not indicate a willingness to engage in the VSI.³ Third, the provincial voluntary sector and broader social economy lacked a corporate body to express its will; even the coordinating body of the Ontario volunteers was not sustainable (Coalition of Ontario Voluntary Organizations). While some efforts were made during the VSI to build a coalition of Ontario organizations, the funds and will were not sufficient to nourish them. In addition, the disparity of organizations and wide variety of their relations with the government increased the complexity of the task in a way not experienced at the federal level given the

³ This observation in particular is based on Brock's experience as "Documentalist and Occasional Advisor" to the Joint Coordinating Committee of the VSI and personal conversations.

constitutional allocation of primary responsibility for the sector to the provincial level of government.

Still, the province was not entirely idle in defining its relationship with the voluntary sector and social economy organizations. Always cognizant of the importance of social organizations in the delivery of services, the Ontario government began to recognize this role more formally in the 1990s under the neoliberal restructuring of the state (Evans and Shields, 2000). Emphasizing individual responsibility and a reduced role for the state, the Conservative government elected under Mike Harris in 1995 identified both volunteering and an expanded role for community organizations as part of its policy platform (Meinhard et al, 2006: 6). The government established an Advisory Board on the Voluntary Sector which held four months of consultations and reported in early 1997 recommending that the government “act as an enabler of voluntary action not as a director or a controller” (Browne, 2000: 68; Ontario, Advisory Board on the Voluntary Sector, 1997). Despite this recommendation, social economy organizations in Ontario are increasingly entering into partnerships and contract arrangements with the government, often under more and more stringent conditions (Browne, 2000: 67) raising serious questions about the relationship and ability of organizations to sustain their role (Richmond and Shields, 2004: 4; Reed and Howe, 2000: 1). At the same time, the government has continued to promote citizen volunteering, encouraged organizations to work collaboratively, worked to build the capacity of organizations, and involved private corporations in sharing this sense of social responsibility (Burke-Robertson, 2005: 50; Meinhard et al, 2006: 7). The relationship has remained one of mixed enabling and enforcement with the government reluctant to relinquish its directive role particularly in core program and policy areas.

The Ontario Government as an Enabler: Not so hard

On the spectrum of enabling actions, the Ontario government tends towards the softer forms of enabling action and into enforcement. Rare is the instance of equal partnerships where the public and social economy sectors cooperate and share information fully; and certainly not on a more than small and episodic basis. However, the government does actively promote the social economy and voluntary sector and engage in some fairly robust forms of collaborative behaviour.

The desire of the government to engage social economy organizations as an ally in policy development and delivery is signaled by the creation of the Voluntary Sector Relations Unit within the Ministry of Citizenship and Immigration. This unit is tasked with the responsibility of coordinating government efforts to strengthen volunteerism

in the province. It is essentially a one-stop shop for social economy, and especially volunteer, organizations to find out about programs and service within the government that support their activities (Ontario, MCI, 2005). The unit provides toolkits on technology and media relations for organizations, information on grants, incorporation and effective operations and management, and services like the volunteer screening initiative and good neighbours campaign (both discussed below). It also provides information on volunteering and giving in Ontario and recognizes volunteering through its awards and honours. Its 'Citizenship in Action' initiative is an example of soft active enabling since it promotes volunteering among different segments of the population and provides support for programs that recognize the contribution "that volunteers and not-for-profit organizations make to our economic and social well-being" (Ontario, MCI, 2005). One project, Agencies Board Commissions Greater Toronto Area (abc GTA), provides resources and tools "to recruit, train and match candidates from diverse backgrounds to volunteer for leadership positions in agencies, boards, and commissions and not-for-profit organizations in the Greater Toronto Area," while another program, Seniors Mentoring Newcomers, develops opportunities to engage new retirees and newcomers to Canada with their communities (Ontario, MCI, 2007). These initiatives play an active enabling role as they both promote volunteering amongst groups that may have limited experience with volunteering, as well as include training activities to ensure social economy organizations are able to handle any influx of volunteers (Deboisbriand, 2006: 27-29).

While the unit is an example of active enabling and its proponents speak of building capacity within the sector and promoting volunteerism (Interviews 6, 3, 9), its limits are fairly apparent. For example, despite its name and the inclusion of information for nonprofits and community based social economy organizations, its focus tends towards volunteer organizations and activities.⁴ This emphasis in focus is problematic for two essential reasons. First, while volunteers play a vital role in many social economy organizations, and recruiting volunteers and board members have been identified as key challenges for Ontario organizations (Scott et al, 2006: 45), the focus on volunteering conveys a limited understanding of a sector that has 958,678 paid employees and where, according to the NSNVO, approximately 20 percent of nonprofit and voluntary organizations in Ontario have no volunteers, and another 15 per cent have less than 10 volunteers (Scott et al, 2006: 30). When the broader definition of the social economy is taken into account, this focus seems even more myopic. For some social economy organizations, volunteering is not a key priority area, rather, issues such

⁴ While the name of the unit uses the language of the voluntary sector, understood to include volunteer agencies as well as nonprofits, charities and social economy organizations such as cooperatives, the language of the website quickly moves to "volunteerism" and "volunteer organizations." However, much of the information is relevant to the broader sector.

as obtaining supports similar to those available for 'small and medium sized enterprises' is a bigger concern (Goldenberg, 2006).

Second, its coordinative function across all government departments is directed at "volunteerism" and is weak with no ability to force action or discipline other units. One implication of the absence of a coordinated or overarching mandate to enable and engage the social economy is that the government will lack the internal pressure to help build a collective voice for social economy organizations in Ontario, a need identified by both scholars and sector leaders (Deboisbriand, 2006: 32; O'Connor, 2005: 206; Browne and Welch, 2002: 105). The Council of Ontario Voluntary Organizations has pointed out the disparity in the way in which various ministries interact with the sector, calling for a more "focused, strategic approach to working with, convening and engaging the nonprofit and voluntary industry in formal collaboration" (COVO, 2006: 3). For a fuller appreciation of the disparities in the relationship of the government to the sector, it is necessary to look beyond this unit and into the departments.

The most robust type of activity engaged in by the Ontario government would be collaborative programs or programs where it relinquishes control in definition or delivery to some extent to its social economy sector partners. This type of behaviour is more common in the Ministries of Community and Social Services or Health or Citizenship and Immigration where a long history of cooperative engagement in the delivery of services has produced a mutual trust in operations. While tension might enter these relationships, particularly in periods of government retrenchment, for the most part the social economy actors have established a reputation within government circles for reliability or officials from both sectors have identified a common objective and agreed upon means for accomplishing their goals. In some cases, signed agreements or contracts may guide their work.

The Ministry of Community and Social Services regularly engages community organizations to deliver its services under transfer payment agreements. While definition and ultimate control remain with the Ministry, this type of relationship can be seen as active enabling since the ministry engages the sector organizations as autonomous actors with self-defined missions and provides funding to support and in some cases enhance the capacity of the organizations. In particular, *Thriving Communities* is a broadly consultative document that outlines the ministry's framework for building partnerships with community organizations to assist citizens who are struggling utilizes ideas and best practices from organizations. This particular document is profiled an example of the Ministry actively seeking opportunities to support and enhance the work of sector organizations (Ontario, MCSS, 2006a, 2006b, 2006c). However, one interview participant was quick to note that the supports given

by their government department were aimed at furthering the objectives of the ministry's programs, not enabling social economy organizations as part of a distinct sector (Interview 7). A similar example from the Ministry of Citizenship would include its initiatives undertaken by the Labour Market Integration Unit to expedite the inclusion of professionals and immigrants into the labour market (Ontario, MCI, 2007). Partnering with well established professional associations and regulatory bodies, immigrant community agencies and educational institutions, the government engages in collaborations that reach the level of equal partnerships in some cases.

Finally, the Ministry of Health offers two creative examples of enabling. The Aboriginal healing and Wellness Strategy brings together Aboriginal people and 15 organizations with four ministries in the Government of Ontario to combat conditions of "poor health and family violence that Aboriginal people in Ontario have endured" (Ontario, AHWS, 2006; Interview 5). In this project, Aboriginal communities and organizations are involved in the design and delivery of programs and are allotted formal responsibility, with the support of the government (Interview 5). A second innovative example of active or semi-hard enabling would be the Ministry of Health creation of Local Health Integration units as nonprofit agencies that engage in planning, integrating and funding health care services. While these units are independent and community based, the government still sets priorities for health care, outlines principles goals and requirements for LHINs and appoints their boards of directors (Ontario, LHINs, 2007). Direction creeps in, even in the robust examples of enabling.

The Ontario government is actively engaged in the mid-range of enabling activities including seeking out opportunities to support organizations and promoting common goals with organizations. While the examples of these activities are too numerous to enumerate here, a few suffice to illustrate the behaviour. First, the government created the Ontario Trillium Foundation to provide funding opportunities to organizations from the proceeds from charity casinos in the province (Ontario, OTF, 2007). The government has recently announced a 20 per cent (approximately \$20 million) increase in funding over 3 years to the Ontario Trillium Foundation, an agency of the Ministry of Culture that awards approximately 1,500 grants to social economy organizations (Ontario, MCI, 2005; Ontario Trillium Foundation, 2007). The grants are subject to conditions and principles and are targeted at four areas (arts and culture, environment, human and social services, sports and recreation). While the provision of funding helps strengthen social economy organizations, providing citizens with more opportunities to participate in civic life, funding arrangements are increasingly entailing more stringent conditions that could move funding relationships to an example of the government as an enforcer of social economy organizations (Browne, 2000: 67; cf. Marilyn Struthers 2003).

A second critical example of the Ontario government seeking opportunities to support that sector and build capacity in organizations is where government of Ontario actively works with individuals, social economy organizations and municipal governments through their community economic development programs. At a basic level, the government provides resources such as fact sheets and a wide range of materials on managing a nonprofit organization (Ontario. MCI, 2005). On a more active level, regional economic development staff visit communities in Southern Ontario to host workshops and bring partners together that have an interest in pursuing economic development projects in rural communities, often tailoring data and resources to individual communities (Ontario. OMAFRA, 2007b; Interview 9). Building such partnerships is a resource intensive process that funders are increasingly requiring of organizations without always recognizing the challenges this creates for organizations; however, in this instance building partnerships is recognized and supported as an integral part of the process. One interview participant noted that their government department had recently recognized the partnering challenge facing organizations and provided funds and structural support specifically to help agencies partner and work together to integrate services and fill gaps in service delivery (Interview 6).

The Ministry of Citizenship is particularly active in seeking opportunities to build capacity within the sector and to identify and promote common goals with a series of programs. One example is the Ontario Screening Initiative, a proven program tested between 1999 and 2002 and endorsed by organizations like Junior Achievement, which assisted organizations in risk reduction by screening individuals in positions of trust. The program is currently being expanded (Ontario, MCI, Screening, 2007). A similar example of active enabling would be the Ontario Community Builders program which provides grants to organizations for educational projects that build awareness of Ontario's diverse heritage (Ontario, MCI, Community Builders, 2007). This type of partnering initiative is encouraged by other departments including Children and Youth Services in the area of youth justice (Ontario YJS, 2007), the Ministry of the Attorney General's victim's services office (Ontario, AG, VSU, 2007), and the Community Safety and Correctional Services including volunteer parole and counseling for offenders and in community policing (Ontario, CSCS, 2007).

Active enabling is consistent with the recognition that many policy problems are polycentric and require redress from the various sectors in society. The Ontario government has been active in promoting common policy goals and solutions with private sector partners as well as nonprofit and community organizations in two further important ways. The government identifies tools and resources to help organizations attract private sector support, recruits volunteers from the private sector to participate

in joint projects, and encourages private sector corporations to donate to social economy organizations. For example, one interview participant noted that the government assists social economy organizations in bringing private sector representatives onto their boards and in developing program evaluations consistent with private sector expectations (Interview 5). Still, this is a softer form of enabling because the onus is on the social economy organizations to seek the aid rather than by providing incentives to the private sector to encourage action on their part. In a firmer example of encouraging trisector partnerships, the Ministry of Citizenship's Skills Training Program for At-Risk Women promotes partnerships among a violence against women organization, a training organization and an employer (Ontario, MCI, OWD, 2007). Similarly, the government encourages the private sector to contribute to social economy organizations through initiatives such as the high profile Youth Challenge Fund in Toronto announced in 2006. An initial \$15 million was allocated to nonprofit and community organizations in underserved neighbourhoods in Toronto with a challenge to the private sector to contribute another \$15 million that the government would then match, bringing the total contribution to \$45 million (Office of the Premier, 2006). One interview participant commented on the meagerness of these efforts (Interview 8), despite evidence suggesting nonprofit leaders view corporate partnerships "as a viable way to augment funding" (Meinhard et al, 2003; 18).

While these programs are all significant and examples of moderate to more active or semi-hard enabling, the vast majority of efforts to support the voluntary sector fall in the range of soft enabling and entail information provision, advice and exhortations to volunteer or community service. This more passive approach to the social economy relies on individuals or organizations to request expertise, information, referrals or feedback from government departments. In one case, the government provides information on available resources to assist organizations make use of internet technology, drawing on resources from projects undertaken from 1999 – 2005 (Ontario, MCI, 2005). Several interview participants commented on the consultative and resource role as their primary interaction with the sector (Interview 6; Interview 3; Interview 9). Other interview participants emphasized the important role that the government plays in developing policy research and sharing information and resources among social economy organizations (Interview 5; Interview 6; Interview 9), thus extending the the impact of individual projects to a broader audience (Interview 6). Sharing information resources and developing a knowledge base on the nonprofit sector can only assist in providing direction for future capacity building efforts by the government and private sector (Richmond and Shields, 2004: 2). While this informal system may provide for flexibility in government relations with social economy organizations, those organizations must navigate through the bewildering array of government departments and services to locate relevant funding sources, programs and basic information.

The Ontario government further encourages the expansion of the sector by promoting awareness of volunteering and its benefits to the community through its Volunteer Service Awards that recognize more than 9,000 Ontarians a year for their community service efforts (Ontario. MCI, 2007). These activities of government are examples of soft enabling but should not be underestimated because “volunteering... ‘does not just happen.’ It must be nurtured and supported” (Deboisbriand, 2006: 34).

On the more positive side of the continuum then, relations between the government and social economy sector range from soft enabling (most common) to active or semi-hard enabling (infrequent). The state engages in capacity building among organizations on a regular but not systematic basis. While the government is supportive of the sector, relations remain decentralized and department or program specific. There seems to be little interest or momentum towards further centralization or codification of the relationship or towards mobilizing organizations as a self-identifying sector. Support for the social economy sector seems to be not so hard after all. The government is a cautious enabler but as indicated above has a tendency towards a more directive and controlling role that underlies its enabling activities but is much clearer in its role as an enforcer.

The Ontario Government as Enforcer: Comfort in Direction

The role of enforcer is often seen as negative. However, in this case as mentioned earlier, enforcement may be either a positive or a punitive form of action. The state is most active in its role as enforcer when questions of accountability and trust are involved and then to a lesser extent in areas of capacity building. We begin with the hardest forms of enforcement, legislation and regulations.

The primary piece of legislation defining the relationship of the Ontario government to the social economy is the *Corporations Act*. An organization may incorporate as a nonprofit (not-for-profit in Ontario legalese) or corporation without share capital, “for the purpose of carrying on, without pecuniary gain, objects of a patriotic, charitable, philanthropic, religious, professional, sporting or athletic character.” That is, activities which benefit the community (Ontario, AG, Handbook, 2007). In Ontario, all nonprofit corporations are subject to this act and its accompanying regulations, overseen by the Ministry of the Attorney General. The benefits of incorporation include recognized legal status, limited protection to members from lawsuits and damages awarded therein, public legitimacy attached to government recognition, and tax relief under the taxation act. As a creature of the government, the incorporated nonprofit must comply with applicable statutes pertaining to board

governance, the organization's constitution and by-laws, rules for meetings, and any reporting and disclosure requirements. Noncompliance entails sanctions ranging from self-help remedies, to director and officer liability to penalties and fines, to cancellation of the corporate charter and dissolution of the corporation (Ibid.). While this legislation does provide important benefits and support to nonprofits, particularly status entitling organizations to relief from property and other taxes, its penalties are significant.

Charities in Ontario have a different legal status. By law, charities are required to incorporate in one of three ways. Most incorporate by Letters Patent issued under the Corporations Act. A much more infrequent method of incorporation is provided under the Standing Orders of the Legislative Assembly and involves a private bill or special act of the legislature. More commonly, a charity can be issued Letters Patent under the Canada Corporations Act through Industry Canada but will still be fully obligated to comply with Ontario laws pertaining to charities. The Public Guardian and Trustees Office oversees charities in Ontario (Ontario, AG, Charities, 2007). Charities are subject to the same plus additional requirements as not-for-profits. To be deemed charitable for example, an organizations activities must be devoted to relief of poverty, advancement of education, advancement of religion, and/or other purposes beneficial to the community, as determined under common law but exclusive of the above areas. Charities, among other benefits, may issue tax receipts for donations but are subject to stringent rules governing political activities and advocacy.

These acts are among the clearest examples of the government as enforcer setting clear standards and rules governing organizations with associated penalties for noncompliance with Ontario laws including human rights. While the legislation is in part punitive, it also supports the sector by providing financial incentives through the taxation schemes, by lending recognized organizations legitimacy in the public eyes, and by setting standards of good governance and accountability. Other pieces of legislation with compliance mechanisms govern particular organizations or types of organizations, such as universities, colleges, hospitals, care centres. The regulations attending each piece of legislation are also examples of enforcement but deemed softer since they are generally easier to amend and adjust to new conditions than the legislative framework. They may also be softened through the discretion given official in drafting and implementing the regulations.

In a move that was largely praised by the sector, the Ontario government engaged in a surprisingly strong form of enforcement. In the late 1990s, the Ontario government responded to pressure from the voluntary sector and mandated the participation of high school students in community involvement activities as a graduation requirement for the Ontario Secondary School Diploma. The purpose of this

program is to “encourage students to develop awareness and understanding of civic responsibility and of the role they can play in supporting and strengthening their communities” (Ontario. MEDU, 1999: 9). Under the program, students are required to complete 40 hours of community involvement activities throughout their 4 years of high school.

The jury is out regarding the surrounding the success of this program in promoting volunteering and awareness of the societal benefits (Meinhard et al, 2006: 9). Brock’s (2000) research on the US and British experiences indicates that the hours are too minimal and the structure of the program too loose to have significant short-term or longer term effects on proclivities to volunteer. In fact, one Interview respondent noted that many students are completing only the minimum hours required (Interview 4). More compelling, the Meinhard et al study of the program indicated that students were more likely to benefit from voluntary community service programs than from mandated ones (Meinhard et al, 2006: 12). The Ontario Network of the Canadian Volunteerism Initiative has called for a review of the program, speculating that once the choice to volunteer is removed, the intrinsic motivations for volunteering decline (ON-CVI, 2006: 4). They suggest that facilitating choice within the existing system could allow students to feel more motivated and engaged in the community service activities they undertake, better fulfilling the objectives of the program (ON-CVI, 2006: 4). Concerns have been voiced over concern has arisen as to the capacity of organizations to train and manage the influx of large numbers of short term or casual volunteers as a result of state-driven forced volunteering initiatives (Scott et al, 2006: 45; Richmond and Shields, 2004: 7). One interview participant noted that voluntary organizations in larger centres in Ontario were simply unable to accommodate the large numbers of would-be student volunteers when the 40 hour community involvement requirement was instituted (Interview 4). Similar concerns apply to mandated community service programs for convicted offenders. Enforcement, even when well-intended may sometimes go awry.

Enforcement may involve directing or instituting controls on the sector either through funding models that tie support to conditions that may impact on the mission or operations of organizations and or through programs with strict eligibility requirements. These types of state action are prevalent throughout the government relationship with the social economy. Even forms of enabling actions mentioned above such as Trillium Foundation grants and Community Economic Development initiatives have conditions or eligibility requirements that may be activated to either rule an organization ineligible for support or revoke funding or participation by an organization. Similarly the move away from grants and unconditional block funding to contribution agreements and dedicated contracts introduces serious constraints on the

actions of organizations. For example, the Ministry of Municipal Affairs and Housing operates an Affordable housing program that it claims is a partnership with nonprofit and cooperatives but uses contribution agreements rather than more independent grants, tracks progress of funded projects, require regular reporting, monitors and addresses arising in the course of a project, manages cash flow, ensures timely and accurate payments and undertakes joint communications with the Canada Mortgage and Housing Corporation (CMHC) (Ontario, MAH, 2007). Flexibility and discretion of the organization are seriously circumscribed. In the event of an unanticipated emergency or urgent condition, the organization cannot respond within these contracts without Ministry approval or a new agreement. These constraints may impede the ability of organizations to fully execute their missions in a responsive and timely manner or alter organization objectives to meet funding eligibility (Interview 8; O'Connor, 2005: 201; Foster and Meinhard, 2002: 30).

Like mandated community service, forced partnerships have mixed results but are not uncommon. One funding program encourages social economy organizations to partner with the private sector by giving organizations that comply with this stipulation priority in the grant process (Ontario, MSBE, 2007a). The government and Trillium Foundation have also intervened more directly in the structure of the sector according to interview participants, by requiring organizations to collaborate or merge with other social economy organizations to qualify for funding (Interview 8). In addition to altering the composition of the sector and reducing its diversity, this type of action may require organizations to engage in services or embrace clientele not recognized in their mandate. However, one respondent noted that while collaboration is increasingly stated as a requirement for funding, many organizations collaborate on paper to receive funding, but not in practice, questioning the success of this enforcing approach in achieving government objectives of efficiency and effectiveness (Interview 8). To redress this avoidance behaviour by organizations, some departments have adopted a funding model that requires organizations to document substantively these partnerships (Interview 6). However, these arrangements can often be resource and time intensive without these additional costs included in the funding thus imposing unrealistic burdens on organizations (COVO, 2006: 4). Moreover, alliances and partnerships are more likely to be successful if they have not been 'dictated' or 'pressured' from external forces and if they are appropriate to specific circumstances (Burke-Robertson, 2005: 53). Without a common understanding of objectives, organizations that partner may encounter tensions surrounding issues of autonomy, self-interest, and culture clashes (Burke-Robertson, 2005: 52). Forced partnerships lack the foundation of trust and reciprocity critical to effective relationships and are inimical to the democratic, participatory and voluntary nature of the sector.

Also significant are the omissions from this list of action. For example, despite the findings of a prominent panel on corporate social responsibility endorsing legislation as the most effective means of building the corporate conscience and encouraging social auditing, no legislation has been enacted (Canadian Democracy Commissions, 2002). And yet, this would involve a simple amendment to the Corporations Act. Similarly, the government does not actively publicize lists of corporations who engage in social auditing or who violate norms of social responsibility either domestically or abroad. And no legislation exists to force corporations to mandate employee volunteerism. Nor does the government provide tax incentives to individuals who donate goods as in many US states or for volunteer hours. While some of these measures might be controversial and their benefits disputed, their absence from the government agenda is indicative of the government's reluctance to engage in full and hard promotion of the sector's values. Even enforcement comes with caution when it begins to resemble hard activism enabling the social economy.

Conclusion: Cautious Encouragement

As the Ontario government has become more embedded in society and as organizations have become more embedded in the work of government, the ties between the two sectors have multiplied creating a diverse array of arrangements and heightening expectations on each side. While embracing organizations to different degrees as policy participants, government officials have remained concerned about the accountability, legitimacy and good governance of organizations. The underlying importance of this concern to the relationship can be seen in the areas where government takes some of its boldest actions as an enforcer. The legislation and regulatory framework governing nonprofit corporations and charities operates to ensure organizations are well governed and meet certain standards. Noncompliance with this framework or with the terms of contribution agreements, contracts and programs is punished. Here, government is within its comfort zone, adopting a traditional, directive and, at times, coercive stance towards social economy organizations. Even in its enabling role, the government is reluctant to relinquish control over the definition of priorities and design and execution of policy making it a reluctant or cautious policy partner.

The concerns that have arisen over the capacity of organizations to engage as full participants in the policy process have been shared by government and social economy officials alike. Even in its endeavours to build the capacity of organizations, the government is ambivalent and inconsistent. On the one hand, it is embracing key agencies as collaborators in the development of social policy and the restructuring of and delivery of health care. It actively seeks out opportunities to fund and support

organizations and promote common goals. However, these endeavours are the most robust in areas where the organizations' goals and objectives parallel those defined by the particular ministry or government. Passive support is offered to organizations more generally in the guise of providing information and services. And while the government has enthusiastically undertaken the need to expand volunteering and to exhort citizens to get involved through exhortation and awards and honours, it has been less enthusiastic about adopting stronger measures to ensure citizen engagement. On the one hand, the government has enacted programs to assist seniors and newcomers or people of diverse races and backgrounds to engage, or citizens to become involved as volunteers in the traditional areas of health care, social services, culture, sports and community building and economic development as well as the less usual areas of corrections, housing and disability services. On the other hand, its program on community service in the schools remains anemic and it has shied away from legislating employee involvement in volunteer activities and a corporate social conscience or responsibility.

Are the government actions consistent with the three objectives raised at the outset of this paper? The government's efforts to promote and recognize volunteering and encourage civic engagement on the part of individuals are consistent with the needs to sustain a vibrant civil society and offset any potential decline in participation. However, as noted, the current efforts targeted at increasing volunteering need to be buttressed. A sustained review of the programs undertaken in concert with the relevant social economy organizations would be in order to measure their effectiveness. Similarly, the government should undertake consultations with the broader social economy to broaden the range of promotional activities and programs available to organizations given that volunteer organizations form a small subset of agencies within the sector. Perhaps a second foundation to operate beside the Trillium Foundation could provide funding to organizations outside the mandate of that body.

The government is increasingly recognizing the need to engage all three sectors in addressing social and human problems given their polycentric nature. While a few instances were found where the government was either enabling or enforcing the social economy to pursue partnerships with the private sector, these were minimal and the onus was placed upon voluntary organizations to either take advantage of tools and resources that could help them attract private sector partners, or required organizations to go about partnering with private sector organizations, prior to qualifying for government funding. The one instance discussed above where government actions were directed at the private sector rather than social economy organizations themselves, was simply an initiative whereby private sector organizations were 'challenged' to support social economy organizations financially rather than providing concrete

incentives or requirements that they do so. Better models of action might be the skills training or community economic development initiatives. More robust measures and a variety of actions including legislation might be in order if the government is to respond to the changing policy realities and blurring of the roles of each sector. However, there seems to be a reluctance to engage in the redefinition of the government role and to relinquish control entailed in effective trisectoral partnerships.

When are the enabling and enforcement activities most appropriate? While this research is too preliminary to develop hard criteria, some speculations are possible. When addressing capacity building questions, enabling activities defined in consultation with the sector yield the most promising results. Similarly, more emphasis on enabling activities that bridge into full collaborations and extending into partnerships seem desirable where organizations have the expertise and skills required to engage in policy design, development and implementation. For example, the LHINS could be more integrated into priority setting as they become more established. Similarly, a broad consultative exercise engaging health organizations might be more helpful to governments in serving the public better when establishing policy priorities rather than applying political criteria. Enabling activities should build on organizations' strengths and range from soft actions to harder ones. The expansion of the Voluntary Sector Relations Unit's mandate and powers would be consistent with this recommendation and with the recommendations to encourage the social economy or its major subsectors to mobilize as a collective. While this mobilization could result in a challenge to state authority in the development and implantation of programs and services, Canadians might be better served as a result.

Enforcement or coercive activities are an essential part of the state's function. On a positive side, legislation, penalties, regulations, tied aid, eligibility requirements, and threats can all be effective means of ensuring the sector remains accountable and efficient in serving Canadians. On the negative side, if the government is too restrictive or directive it may inadvertently undermine the vitality and diversity within the sector that make it effective. As is the current orientation in the Ontario government, the preference should be towards enabling, not enforcing or coercion with the first remedy in case of malfunction to be assistance in correcting the problem. Still, there is room to consider expanding the government's role in legislating certain standards or norms of behaviour including corporate responsibility. At minimum, more coordination is needed among the various enforcement and enabling activities of the state.

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