

CONTENTS

Acknowledgements	2
Foreword	3
Executive Summary	5
Section 1: Introduction	10
Section 2: Defining the Sector and its Characteristics	12
Section 3: The Community and Voluntary Sector: Key Policies and Relationships	18
Section 4: Community and Voluntary Relations with Government in Other Jurisdictions	23
Section 5: Compelling Force or an Elusive Mass of Contradictions?	32
Section 6: Concluding Observations	43
References	46

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Owen Keenan

May 2008

Foreword

When the Centre for Nonprofit Management was established in 2000 we had a number of ambitions. One of them was that the Centre's university setting would support the creation of a space wherein the sector and sector stakeholders could discuss and debate issues of sector concern in a manner that was characterised by openness and imagination and was informed by research and international experience. The Centre's Summer School series has been pitched directly into this 'dialogue' space and purposefully held at mid-Summer to exploit that aura of positive possibility that accompanies the arrival of the Irish Summer.

Our first Summer School 2006, *Differing Images, Imaging Differently*, sought to explore the range of understandings of the nonprofit sector in Ireland. In the research study, *The Hidden Landscape* we presented the first mapping of the nonprofit organisation field in Ireland. At the School we heard from Jon Van Til of the experience in the United States and from Lucas Meijs of the shape of the field in the Netherlands.

In our second Summer School 2007, *Conflict and Consensus: Assumptions, Values and Roles in the Irish Nonprofit Sector*, we sought to go beyond the bare empirical evidence to examine the assumptions and values that underpin the three sector roles of service delivery, values expression and civic engagement. Again we heard of the international experience, this time from Adam Habib of South Africa, Stuart Etherington of England, and Thomas Jeavons of the United States.

One of our hopes for the Summer School was that through it leadership would emerge around issues of common concern. We hoped that the Summer School would be a starting point for action. And so, when a number of respected leaders in the sector asked us to provide a space wherein the question of 'sector as sector' might be addressed we were delighted to have the opportunity to progress the dialogue to another level. In our Summer School 2008, *Relationships and Representation: Irish Civil Society at the Crossroads*, we are dealing with an issue crucially relevant to the future development of the sector and its various relationships in society. We will consider how well equipped the sector is to manage its relationships in the dynamic and challenging environment of a new Ireland, an Ireland full of new needs and new expectations.

To support the Summer School debate and to help establish some common starting point for the discussion we felt that it would be beneficial to have a view of the present context. Such a paper would set out the context from the outside in, as well as the inside out. We have been extremely fortunate that Owen Keenan undertook this work, given his depth of experience and his reflective approach. We have been fortunate also in the group of sector organisational leaders that came together around the development of the context paper and gave of their experience and advice in the shaping of it.

In a measured manner the resultant paper raises important points and identifies issues that demand considered attention from sector leaders. It suggests that failure to address these issues would constitute a missed opportunity bordering on negligence. It argues that viable solutions are neither obvious nor simplistic and will need to be process driven.

Such advice is never easy to take. Yet, if we are to be true to the variously articulated and espoused values of our organisations, true to the challenge of meeting the needs of our stakeholders, and true to the intent of our donors, then reflective, reasoned, agenda-free observations may be exactly what we require. In the face of the continual resource constraints that we operate under in the sector, we are required to trumpet our value and case so consistently that such criticism can be hard to hear. But hear it we must.

I recommend this paper for your consideration.

Andrew O'Regan,
Programme Director,
Centre for Nonprofit Management,

May 2008

EXECUTIVE SUMMARY

Organisations in the Irish nonprofit sector operate in a dynamic and rapidly changing environment which brings both increasing possibilities for action and also increased expectations from the public and from the State. The nature and functions of relationships between sector organisations, and between nonprofit and political and private sectors, are key to the capacity of sector organisations to meet these expectations and exploit these possibilities. This paper has been commissioned by the Centre for Nonprofit Management at Trinity College Dublin to inform and contribute to the discussion at the Centre's third annual Summer School in June 2008 at which these – and related – issues will be considered.

Section 1: Introduction

The paper begins by briefly setting out its context, terms of reference, scope and structure. Primarily the paper's purpose is to describe the current status of, and identify developing trends in, the relationship between the nonprofit sector and the State and its agencies. The paper's emphasis is on identifying critical questions for consideration by the sector in the first instance.

Section 2: Defining the Sector and its Characteristics

The focus of enquiry, for the purposes of this paper, is defined as the community and voluntary sector in Ireland using Faughnan's widely quoted classification (Faughnan 1990) *viz.*

- Mutual support and self-help organisations;
- Local development associations;
- Resource and service providing associations;
- Representative and coordinating organisations;
- Campaigning and advocacy organisations; and
- Funding organisations

This definition coincides with the conventional understanding of the parameters of the community and voluntary sector. Nevertheless, it is acknowledged that it is narrower than the international classification of nonprofit activity – which also includes political parties, trades unions, higher education, credit unions – and what is normally considered to comprise “civil society”. Conversely, the community and voluntary sector, as understood in the context of this paper, is a broader concept than that of “charitable purpose” as defined in the current draft Charities Bill 2007, which excludes organisations whose principal or sole

activity is advocacy and/or the advancement or promotion of human rights.

The sector, as defined, is characterised by its significant diversity in terms, for example, of size of organisation and budget, fields of activity, arenas, geographies, etc. There is a discernible shift towards increased professionalisation and formalisation, progressively improving standards of employment, financial management and governance. Although there are a number of membership organisations and coalitions at a sub-sectoral level, unlike other jurisdictions there is no single representative body for the Irish community and voluntary sector. The sector is represented, however, in the Social Partnership process through the Community and Voluntary Pillar, although this is essentially an informal grouping which exists and acts specifically within this process. The sector's diversity and relative lack of formal organisation pose a question as to whether it can validly be considered a sector at all. This paper pragmatically suggests that, while considering the breadth of community and voluntary activity as a distinct sector may have only limited value, this is nevertheless a value worth noting.

Section 3: The Community and Voluntary Sector: Key Policies and Relationships

The environment for community and voluntary activity in Ireland has changed significantly over the past 15 years, influenced both by social change in society in general and by changes in legislation, Government policy, and in increased compliance requirements. While these changes have occurred at the level of individual community and voluntary organisations and their engagement with statutory agencies, they are not reflected in a developed relationship between Government and the sector as a whole.

Nevertheless, there have been several important policy recommendations and developments of relevance for the sector over these years. These include the White Paper on a Framework for Supporting Voluntary Activity (2000); the Partnership Agreement, *Towards 2016* (2006); the recommendation of the National Economic and Social Council (NESC) that it is now important to move towards a more formal definition of the relationships between Government agencies and the community and voluntary sector; the Task Force on Active Citizenship; several developments at European Union level that may have implications for the sector; the establishment of the Community and Voluntary Pillar and its participation in the social partnership process; the forthcoming legislation on the regulation of charities and the establishment by Government of the Forum on Philanthropy. There have also been important changes in the funding environment – many of them positive in light of the country's sustained economic growth over the past decade – which have included a significant shift from the EU to the Exchequer as the source of much funding; the replacement or restructuring of several relevant Government Departments and agencies; the establishment of several new funding sources; the growth of philanthropy; the increasing professionalisation of fundraising; and the increased engagement of the sector with the business community.

Section 4: Community and Voluntary Sector Relations with Government in Other Jurisdictions

The relationships between the voluntary and community sectors in Northern Ireland, Canada and Denmark are described with particular reference to representative structures in each jurisdiction and the extent to which these relationships are formalised. Experience and insights from these jurisdictions that have relevance for the Irish context are identified and reflected upon.

Section 5: Compelling Force or an Elusive Mass of Contradictions?

Current thinking and actions of both Government and the sector are critiqued with particular reference to five contexts - the relationship context, the advocacy context, the Social Partnership context, the operating context and, finally, the sector context.

The Relationship Context

In spite of various policy commitments over the years, it is suggested that there is little evidence of clarity or consistency in the Government's view of the community and voluntary sector or what its relationship with the sector should be. Consequently the relationship tends, in practice, to be defined by the (legitimate) imposition of administrative controls to assure compliance and accountability without the benefit of a wider and visionary expression of the value of voluntary activity to the wellbeing of society as a whole. One way in which the inevitable contradictions are manifested is in the Government's promotion, in the interests of participative democracy, of active citizenship while administratively there is concern at the growth of the sector which gives active citizenship its opportunity for expression. It is suggested that this could be resolved if there were a more developed understanding of the nature of voluntary activity and if the Government were to clarify its fundamental standpoint – unless the current lack of precision suits it? Furthermore, might the principles to guide the relationship between Government and the sector as outlined in the White Paper represent a starting point for the development of an 'accord'? However, is the sector capable and ready to engage in such a process?

The Advocacy Context

The inevitable tensions and conflicts associated with advocacy are exacerbated in the absence of clarity in the relationship between Government and the community and voluntary sector. The legitimacy of advocacy is contested by some officials, and organisations that only engage in advocacy are currently excluded from the proposed legislation to regulate charities. Yet advocacy is seen as central to the missions of many community and voluntary organisations, not to mention its importance to active citizenship. How might Government resolve this dichotomy and is there potential to develop a code of practice on advocacy with the sector which would serve to establish joint 'rules of engagement'?

The Social Partnership Context

The Community and Voluntary Pillar has played an important and effective role in Social Partnership over the past decade, not least in advancing the social inclusion agenda. However, it does not exert the same power as other Pillars and views differ, even at a senior level, as to whether, *in extremis*, an agreement might conceivably be concluded without the Pillar's endorsement. It is suggested that the Pillar is essentially an informal alliance of organisations brought together on the invitation of the Taoiseach and, consequently, it may have more significance for Government than for the rest of the community and voluntary sector. Bearing this in mind, the apparent absence of a sectoral view on this question is remarkable.

The Operating Context

In spite of the significant changes experienced by the sector over the past decade, there have been significant benefits accruing from the generally benign economic and funding climate. As we face into a period of greater economic uncertainty, a number of important issues warrant attention by both Government and sector. These include the implementation of relevant commitments in the White Paper and *Towards 2016*; the extent to which Government funding practices influence the behaviour of the nonprofit 'market', including the recognition of the validity of funding overhead costs and supporting the sector in developing operational capacities and efficiencies; and, critically, the urgent need to invest in research and data as a necessary first step towards developing effective policy and planning. Perhaps more fundamentally, there is a need to determine specific actions the Government needs to take to create a climate within which the community and voluntary sector can flourish, thereby realising its potential contribution to society to the full.

The Sector Context

Much of the foregoing suggests actions that the Government needs to take to honour its commitments and to maximise the contribution of the community and voluntary sector to society. But experience, both national and international, suggests that the sector must itself be in charge of its own destiny. This challenges the sector to have a vision for itself, to be clear about its role in Irish society, and to have the capacity for robust engagement with Government and other stakeholders. There is an immediate problem posed by these challenges, consequently, in that the sector does not exist other than as a theoretical construct. Therefore the absence of a coherent cross-sectoral 'voice' has a significant number of consequences and implications. Several significant questions need to be addressed in order to discern the relevant dynamics – not least, how is it that the quality of leadership that is evidenced at organisational and sub-sectoral levels is not apparent cross-sectorally?

Section 6: Concluding Observations

The landscape in which community and voluntary organisations are operating has changed substantially over the past 15 years. While much of this change has been positive, there remains a sense that the sector continues to labour under significant constraints – of funding, limited capacity, opportunity and support – and that it has yet to realise its full potential. Furthermore, its relationship with Government is informal, ill-defined and contradictory.

These deficits are compounded by the lack of information and data on the sector, and on its key dynamics and relationships. Although individual organisations and sub-sectoral alliances and coalitions seek to engage with this complex and uncertain environment, they do not currently come together cross-sectorally. As a result, gaps are unattended, opportunities are lost and the capacity to prepare for challenges on the horizon is severely compromised. This suggests an ‘industry’ that is not taking care of business. It is not taking care of its own development, it is not forging the external relationships that could support it in meeting its needs and, most fundamentally, it has no coherent vision of itself. Does the community and voluntary sector have the capacity to develop a collective view of its current status and challenges? Will it find opportunity in the midst of these challenges? Will it develop the necessary processes and frameworks for collective action and will the required leadership emerge? Otherwise, while it may be a sector conceptually and potentially, surely this can have no meaning unless its constituent parts conceive of it as a sector and act accordingly?

1. INTRODUCTION

- 1.1. This paper has been commissioned by the Centre for Nonprofit Management at Trinity College Dublin to inform and contribute to the discussion at the Centre's third annual Summer School in June 2008. The Summer School aims to explore the processes and structures that exist for mediating relationships *within* the Irish nonprofit sector and also *between* the nonprofit sector and the public and private sectors.
- 1.2. Organisations in the Irish nonprofit sector operate in a dynamic and rapidly-changing environment. This changing environment brings both increasing possibilities for action and also increased expectations from the public and from the State. The nature and functions of relationships between sector organisations and between nonprofit and political and private sectors are key to the capacity of sector organisations to meet these expectations and exploit these possibilities. The Summer School will consider the capacity of these processes and structures for addressing the challenges and the potential of this dynamic environment.
- 1.3. The terms of reference for the paper are to
 - Provide an overview of the key relationships *within* the Irish nonprofit sector and *between* the sector and other arenas.
 - Review the processes and structures currently in place to mediate relationships within the nonprofit sector, and those processes and structures that mediate between the nonprofit sector and the private and public sectors
 - Consider the environmental factors that currently affect those relationships and the likely changes that may be expected.
 - Consider the processes and structures in other jurisdictions and identify international comparators that might inform consideration of the Irish context.
 - Draw on national and international experience in identifying key challenges, dilemmas and choices for the sector and the State in developing their relationship
- 1.4. The primary purpose of the paper is to describe the current status and identify developing trends in the relationship between the nonprofit sector and the State and its agencies. It will discuss the implications for the sector and for Government, as a contribution to analysis and debate, rather than propose answers to questions that are, as yet, unclear.

- 1.5. In subsequent sections, the sector, as considered by this paper, is defined and its characteristics are profiled (Section 2); the policy environment and key relationships are reviewed in Section 3; for comparative purposes the structure and processes of relationships between the sector and government in three other jurisdictions (Northern Ireland, Canada and Denmark) are described in Section 4; critical issues and their implications are considered in some detail in Section 5; while Section 6 contains brief concluding observations.

2. DEFINING THE SECTOR AND ITS CHARACTERISTICS

Defining the Sector

2.1. Clearly it is necessary to define the scope of the nonprofit sector as considered by this paper. This is a task which is fraught with difficulty given the multitude of terms and definitions frequently used. These terms include charitable, voluntary, community, community and voluntary, nonprofit, nongovernmental, non-statutory, private, independent, third, civil society, social benefit, social purpose, public benefit – among other combinations. Some of these terms are in use internationally, others are context-specific and all are contested. In the absence of a statutory definition, as yet, of charity and charitable status in Ireland it is no surprise to find this confusion of terms infusing the task of defining the sector. But we are not alone. In spite of a much more developed sector in the United States, Frumkin (2002) can still observe nonprofit activities as reflecting

“a sometimes confusing agglomeration of strongly held private values, as well as a complex set of public purposes. The sector can thus be conceived as a tent covering public-serving charities, member-serving organisations, and a range of informal organisations, including voluntary and grassroots associations” (Frumkin 2002:9).¹

2.2. Internationally, the best-known approach to defining the sector is the Johns Hopkins Comparative Nonprofit Sector Project (CNP) (Salamon and Anheier 1996) which specifies five main criteria that are considered to be fundamental in defining nonprofit organisations. According to this definition nonprofit organisations are

- Organised – they must have some kind of formality and institutional reality;
- Private – they must be separate from government
- Nonprofit distributing – they must not return any profits generated to their owners or directors
- Self-governing – they must be in a position to control their own activities and have their own internal procedures for governance, and
- Voluntary – they must have some meaningful degree of voluntary participation.

2.3. As the first large-scale representative study of the nonprofit sector in Ireland, the 2005 Trinity Mapping Study (Donoghue, Prizeman, O’Regan and Noël 2006) adopted a wide-sweeping definition based on the CNP definition and which included mutual aid societies (e.g. credit unions) as well as organisations that are non-commercial and non-State. Based on this definition it was estimated that there were over 24,000 nonprofit organisations in the State. However, it should be noted that this broad definition included trades unions, recreation and social clubs, political

¹ See Chapter One for a helpful discussion of the various terms used to describe the sector and an analysis of the sector’s key features.

parties, business and professional associations and other groups that would not generally be understood to be included in discourse on the ‘sector’ in an Irish context.

- 2.4. The contribution of nonprofit activity to wider society is frequently described as ‘civil society’. Civil society has been defined as “that space of organised activity not undertaken by either Government or for-profit business” (Daly with Howell 2006: 6). More recently the Carnegie UK Trust Inquiry into the Future of Civil Society in the UK and Ireland has expounded on Edwards’ (2004) concept of the ‘good society’

“The term civil society is often used as a short-hand for the type of society we want to live in and can therefore be viewed in normative terms. It is often assumed that civil society is a good thing, but this is not necessarily true. For example, civil society associations can help strengthen democracy and improve the well-being of deprived communities as can they undermine human rights and preach intolerance and violence. The Inquiry is therefore especially concerned about the strength of civil society associations as a means through which values and outcomes such as non-violence, non-discrimination, democracy, mutuality and social justice are nurtured and achieved; and as a means through which public policy dilemmas are resolved in ways that are just, effective and democratic. The actions of civil society associations alone cannot achieve a ‘good’ civil society. A ‘good’ civil society is dependent on the outcomes of and relationships between government, statutory agencies, the business sector and media.” (Carnegie UK Trust 2007:5).

- 2.5. A considerably more narrow definition of the sector in an Irish context is those organisations that have a Charity (CHY) number. However, contrary to widespread belief, this number merely conveys a tax designation rather than a legal status (Cousins 1997, Donoghue 1998). As of February 2008 there were 7,228 organisations with CHY numbers in Ireland² which simply reflects the number of organisations that have applied to the Revenue Commissioners and have been granted recognition of their charitable objectives and, therefore, are exempt from certain taxes. There may be as many organisations again that have not sought this tax designation, so the possession of a CHY number alone is not an adequate criterion to define the sector.
- 2.6. The passing and enactment of the Charities Bill 2007 will serve to clarify the situation including the definition of charity and charitable status. This important legislation will finally provide an updated definition of charity, a legislative basis for charities and will offer reassurance to the public in the regulation and promotion of good practice of charities. The Bill defines charitable purpose as

² http://www.revenue.ie/pdf/charities_numeric.pdf

- (a) The prevention or relief of poverty or economic hardship;*
- (b) The advancement of education;*
- (c) The advancement of religion;*
- (d) Any other purpose that is of benefit to the community.*

While this definition is broadly in line with the traditional definition of charitable purpose (the so-called Pemsel Criteria),³ the Bill defines community benefit as

- (a) the advancement of community welfare including the relief of those in need by reason of youth, age, ill-health, or disability,*
- (b) the advancement of community development, including rural or urban regeneration,*
- (c) the promotion of civic responsibility or voluntary work in the community,*
- (d) the promotion of health, including the prevention or relief of sickness, disease or human suffering,*
- (e) the advancement of conflict resolution or reconciliation,*
- (f) the promotion of religious or racial harmony and harmonious community relations,*
- (g) the protection of the natural environment,*
- (h) the advancement of the efficient and effective use of the property of charitable organisations,*
- (i) the prevention or relief of suffering of animals,*
- (j) the advancement of the arts, culture, heritage or sciences, and*
- (k) the integration of those who are disadvantaged, and the promotion of their full participation, in society.*

It is worth noting that the Bill's definition of charitable purpose does not include organisations whose principal or sole activity is advocacy nor does it include the advancement or promotion of human rights. So while such organisations might commonly be regarded as part of the nonprofit community, as the proposed legislation currently stands they will not qualify for designation as registered charities.

- 2.7. For the purposes of this paper the community and voluntary sector will be differentiated from the broader understanding of nonprofit activity and is defined broadly in line with Faughnan's (1990) classification as comprising
- Mutual support and self-help organisations;
 - Local development associations;
 - Resource and service providing associations;

³ Dating from 1890, these broad criteria have been used by the Revenue Commissioners in their recognition of charities for tax exemption purposes.

- Representative and coordinating organisations;
- Campaigning and advocacy organisations; and
- Funding organisations

Characteristics of the Community and Voluntary Sector in Ireland

- 2.8. Having stated the basis of determining the sector for the purposes of this paper, it is important to recognise its highly diversified nature which can be further differentiated, for example, in terms of:
- individual or community development, service provision or advocacy
 - target population
 - geographic spread
 - national or international focus
 - size
 - budget
 - age of organisation
 - incorporated or unincorporated
 - amount and sources of funding
 - funder, provider or user
 - paid/unpaid staff
- 2.9. Although it refers to a considerably wider definition of the sector, the 2005 mapping report, *The Hidden Landscape* provides important data which confirms this diversity (Donoghue *et al.* 2006). For example, it tells us that while responding organisations had a total income of €2.564bn it is important to note that 10 per cent of respondents reported an income of €1,300 or less, while 10 per cent had an income in excess of €775,000 – and we know that some organisations have an income very considerably in excess of this figure. Furthermore *The Hidden Landscape* found that half of the responding organisations had been founded since 1986. It is interesting to note the growing formalisation amongst nonprofit organisations as indicated by the fact that over two-thirds (67.3%) of the organisations founded since 1986 were incorporated and more than half (58%) had CHY numbers.
- 2.10. The shift towards a more formal and professional sector can also be seen in the increased number of professional staff employed by community and voluntary organisations, the improvement in employment standards generally, the recruitment of professional fundraisers by many organisations, more detailed and transparent financial and activity reporting, the publication of good practice guides and a growing recognition of the importance of good governance.

- 2.11. Unlike many other jurisdictions there is no single, established representative body for the entire community and voluntary sector in the Republic of Ireland. Instead there are a number of organisations which represent the specific interests of member organisations at what might be called a sub-sectoral level, for example, disability (Disability Federation of Ireland⁴, currently with 71 full member organisations and 42 associates), and development aid (Dóchas⁵, which currently has 37 member organisations). In addition there are membership organisations that seek to take collaborative action in pursuit of specific policy goals, for example, Irish Senior Citizens Parliament⁶ (currently with 410 affiliated member organisations), and the Children's Rights Alliance⁷ (currently with 88 member organisations). There are also organisations that seek to advance the interests and capacity of the sector, or to seek policy reform specific to the interests of the sector as a whole, for example, The Wheel⁸ (with a current membership of approximately 800 organisations), and the Irish Charities Tax Reform Group⁹ (currently with 140 member organisations). Finally there are many examples of individuals and organisations collaborating on an *ad hoc* or short term basis to achieve a specific objective, for example, seeking to alter a policy, to establish a new policy goal, or seeking a change in the practice of a State agency.
- 2.12. The Wheel, whose membership is drawn from across the sector, is a distinctive organisation within the Irish context in that it aims to speak to the interests of the sector as a whole. In this it seeks to represent the interests of its membership, many of which are small organisations with limited resources. The Wheel provides valuable supports to this membership in the form of information, networking opportunities, training, conferences and advocacy for the sector. The Wheel, furthermore, participates in the social partnership process through the Community and Voluntary Pillar.
- 2.13. The engagement of the sector in the social partnership process through the Community and Voluntary Pillar is an important expression of its significance to the public interest. The Pillar comprises a number of national organisations and coalitions including the Community Platform which itself comprises approximately 25 member organisations with diverse interests. However, although the Pillar has clearly positively influenced the Social Partnership process in the past decade, it cannot be said to be representative of the community and voluntary sector as a whole, it is not itself a legal entity and, indeed, does not exist outside of the partnership process. In this way it differs significantly from those who represent the agriculture, business and trade union sectors. The implications of this and the role of the sector as a whole *vis-à-vis* Social Partnership will be considered in some detail later in the paper.

⁴ <http://www.disability-federation.ie>

⁵ <http://www.dochas.ie>

⁶ <http://www.seniors.ie>

⁷ <http://www.childrensrights.ie>

⁸ <http://www.wheel.ie>

⁹ <http://www.charitytaxreform.com>

- 2.14. Given the diversity and relative lack of organisation of the sector as a whole, it is legitimate to question whether it can validly be considered a sector at all. While this question will be considered later, a pragmatic response for now might be that community and voluntary activity has considerable value, even if its sectoral identity is open to conjecture. Furthermore, given the high degree of congruence of values and principles that can be found in the ‘community and voluntary sector’, there is just as much validity in considering it as a ‘sector’ as there is the for-profit ‘sector’, which spans the spectrum from corner shop outlets to major multinational corporations.
- 2.15. These, then, are some of the characteristics of the community and voluntary sector in the Republic of Ireland. Their nature and implications will be discussed in greater detail subsequently. First, though, the next section will outline how the sector currently relates to Government, and the public and private sectors.

3. THE COMMUNITY AND VOLUNTARY SECTOR: KEY POLICIES AND RELATIONSHIPS

- 3.1. The environment for community and voluntary activity in Ireland has undergone immense change over the past 15 years or so. While there are few, if any, elements of Irish society which have not changed during this time, the fundamental engagement of the sector with a rapidly-changing society has brought particular challenges and opportunities. These have included the challenges of responding appropriately to the changing face of poverty and disadvantage in a growing economy; the introduction of divorce and the growth in new family forms; the impact of immigration and the needs of migrants; the growth of the drug problem and associated crime throughout the country; and significantly changing demographics within an overall context of an ageing population, to name but a few. Opportunities have included a much more benign public and private funding environment; increased emphasis on professionalism, innovation and entrepreneurship; the benefits of more affordable and accessible information and communications technology; and increased focus on evidence and rights-based interventions.
- 3.2. During the same period there have been significant developments in Government policies and strategies, as well as in legislation, in a number of areas of relevance to the community and voluntary sector including health, education, children, disability, development aid, etc. These have been influenced by a number of factors including developed insight and experience, the need to meet international commitments, the influence of increased advocacy and the opportunities that coincide with economic growth.
- 3.3. These changes have been accompanied by substantial change in the nature of the relationship between community and voluntary organisations and the State. Where once it may have suited both Government and the sector to be imprecise in defining their relationship and respective obligations and expectations, the landscape has now changed very considerably. In addition to the anticipated regulation of the sector, increased compliance requirements include the setting and inspection of standards for service delivery, the increased practice of tendering, the development of contracts and service level agreements and increased focus on quantifying the effectiveness of outcomes. Furthermore, while some of these may be contentious in the detail of their implementation they are widely accepted in principle and reflect the changing policy context with more formalised structures and processes to guide relationships between State agencies and individual community and voluntary organisations.
- 3.4. Such formalised structures and processes are not reflected in the relationship between Government and the sector as a whole, however. The White Paper *Supporting Voluntary Activity* (Department

of Social, Community and Family Affairs 2000) stated as one of its principal features its formal recognition of the role of the Community and Voluntary sector in contributing to the creation of a vibrant, participative democracy and civil society, and espoused as the first principle informing the State's role that it "*recognises and validates the sector as a core component of a vibrant civil society and the effort to build a broader, more participative and more accountable democracy in Ireland*" (DSCFA 2000:31). Yet, although the Government which published the White Paper was re-elected in 2002 the new administration, which transferred responsibility for the voluntary and community sector to the newly created Department of Community, Rural and Gaeltacht Affairs, did not implement the Paper's recommendations, the proposed voluntary activity units in Government Departments were not established, and the implementation group was eventually disbanded. A number of the Government's White Paper commitments have been restated, however, in the 2006 Partnership Agreement, *Towards 2016* (Government of Ireland 2006).

- 3.5. The National Economic and Social Council (NESC) has espoused the view that it is now important to move towards a more formal definition of the relationships between Government agencies and voluntary and community organisations.

"The Council believes that to maximise the contribution of voluntary and community organisations...it is now necessary to pay attention to the quality of relationships with government and statutory agencies.

...Productive relationships would be characterised by effective and accountable service provision, where appropriate, transparent and efficient funding arrangements, clear but not burdensome regulation and a coherent policy framework for the development of voluntary and community organisations". (NESC 2005:230).

Proposing a process to deepen partnership between statutory bodies and voluntary and community organisations, NESC recognises that clarifying these relationships will require dialogue at agency-level and sectoral-level in addition to the national-level.

- 3.6. A Taskforce on Active Citizenship was established by Government in April 2006 and reported in March 2007. Its role was to enquire and consult in relation to the engagement of citizens with their communities, primarily at the level of the individual and the local community. The Government accepted the Task Force's recommendations, including the establishment of an Office of Active Citizenship. One of the functions of this Office will be to:

"convene a Consultative Forum to allow for continued dialogue with representatives of community and voluntary organisations on the issues raised during the Taskforce's work,

as well as other issues of concern. This should meet twice yearly and allow for constructive engagement with relevant Government Departments. It should include representatives from the community and voluntary pillar under Social Partnership and the National Community and Voluntary Fora” (Taskforce on Active Citizenship 2007:24).

- 3.7. Various community and voluntary organisations have participated over the years in EU funding programmes or have contributed to policy development. However, while it has been necessary, for example, to take a European perspective in advocating for tax reform in the tax treatment of charities in Ireland, the EU has otherwise had little direct relevance to the sector in Ireland as a whole. This may be about to change, however, on at least three fronts. Firstly, the proposed European Reform Treaty recognises for the first time the position of civil society, makes a commitment to the eradication of poverty, and puts non-discrimination at the heart of the Union’s goals – which will extend the Commission’s competence in this area. Secondly, there are proposals for a European Foundation Statute to create a new European legal instrument that is an optional tool, complementary to existing national legislations, and would apply to foundations pursuing a public benefit purpose across several jurisdictions. Thirdly, the European Commission has a concern to strengthen the capacities of nonprofit organisations in order to lessen their vulnerability to exploitation by terrorist organisations. All of these have the potential to require the Irish community and voluntary sector to deepen its engagement with the European Commission.
- 3.8. Earlier (see paragraph 2.12 above) the sector’s engagement in the Social Partnership process was briefly referenced in terms of the informal arrangements between the participating community and voluntary organisations involved. The Community and Voluntary Pillar is the fourth “pillar” of interests engaged in the process with Government – the others being employers, trades unions and farmers. The influence of the sector in the process is evidenced in the most recent agreement in measures, for example, to advance the well-being of children, older people and people with disabilities. *Towards 2016* also includes the Government’s recognition of the significant role played by the community and voluntary sector in society and repeats its commitment to the principles underpinning its relationship with the sector first stated in the White Paper, *Supporting Voluntary Activity*. Clearly the Community and Voluntary Pillar is able to find common cause with, and to persuade, the other social partners in the pursuit of a range of positive commitments. Equally, the Community and Voluntary Pillar is an important vehicle for Government engagement on issues of relevance to the sector. However, there are questions about the extent of the Pillar’s capacity to shape Agreements, the perceived power differential between the Community and Voluntary Pillar and other Pillars – for example wage agreements are negotiated exclusively between Government, employers and unions – and whether, in reality, a deal might conceivably be concluded without the Community and Voluntary Pillar’s endorsement. There can be no doubting the valuable and effective role played by the Pillar particularly in advancing the social inclusion

agenda. However, given its essentially informal and unrepresentative nature (for example, organisations are invited to join the Pillar by the Taoiseach) it might be concluded that the Pillar is primarily a means to pursue constituency interests – which is entirely legitimate – rather than a broader agenda of concern to the sector as a whole (Donoghue and Larragy forthcoming). These and other questions relating to the sector’s engagement with the social partnership process will be considered more fully in Section 5.

- 3.9. The anticipated regulation of charities will clearly bring many implications for the sector. The purpose of the much-delayed legislation is fundamentally to represent the public interest and provide reassurance to the general public on the legitimacy, operating standards and governance of registered charities. It will therefore be welcomed by all *bona fide* organisations. However it remains to be seen how prepared charities, in general, are for the implementation of the legislation, whether its implementation will be proportionate to the scale of individual organisations and whether indeed Government anticipates fully the implications of the legislation. And, since registered charities will collectively represent a key, if secondary, market for the regulator, how will they develop and present a coherent composite view and influence her/his practices?
- 3.10. The funding environment of community and voluntary organisations has changed very substantially over the past 10 years, in particular, during which there has been a significant increase in the quantum of funding available, together with a shift from the EU to the Exchequer as the source of much of this funding. The favourable economic climate of the past decade has facilitated this substantial increase in funding without, it would appear, it being accompanied by commensurate analysis or policy-driven goals. As a result there has been significant growth in funding programmes, while the reorganisation of Government Departments and agencies (e.g. the establishment of the Department of Equality and Law Reform and its subsequent incorporation into the Department of Justice, Equality and Law Reform, the establishment of the Department of Community, Rural and Gaeltacht Affairs, the establishment of the Health Services Executive, the development of the role of Pobal) and the reassignment of programme responsibilities has led to a somewhat confusing funding picture and some inevitable duplication. Now, at the end of a decade of unprecedented growth in State funding the sector is faced with the challenge of securing and maintaining such State funding in a climate of a Government focus on rationalising funding programmes, demonstrating value for money, the achievement of effective outcomes as well as financial integrity – within a context of increasingly constrained public finances.
- 3.11. Other ways in which the funding environment has changed in the same period have been the creation of new funding sources (e.g. Dormant Accounts), the growth of philanthropy and the professionalisation of fundraising (Donoghue, O’Regan, McGee and Donovan 2007). The impetus for these developments has primarily come from a variety of positive external factors,

including the vision and commitment of individuals, which raises the question whether they will be sustained in the longer term. Meanwhile the sector is now raising very significant – if unverified – amounts of funding which may represent a missed opportunity in communicating the extent to which it is supplementing State funding programmes. It also represents a substantial contribution of human resources and social capital – a further indication of its value to society.

- 3.12. The sector's relationship with business has changed significantly over the past decade or so. In some areas of traditional service delivery (e.g. nursing homes, children's residential and day services) the private sector has become a competitor. In contrast, the development of corporate social responsibility and the increased engagement of business professionals in charity fundraising and governance have brought many positive developments. We have also witnessed the benefits of applying business skills and innovation to tackling deep-rooted social problems, the engagement of successful business leaders in philanthropy, and the encouragement of the recognition and development of social entrepreneurship. The sector has benefited very substantially in addition from major philanthropic investment while economic growth and the generation of wealth have spawned an increase in philanthropy generally with significant further potential for growth. This has been recognised by Government as can be seen in the establishment of a Forum on Philanthropy to explore policies and strategies to enable philanthropy and its benefits to flourish.
- 3.13. The nonprofit sector in Ireland, then, is operating within an environment that is both changed – relative to 10 or 15 years ago – and changing. As in other aspects of our lives, some of the change relates to our catching up with historical underdevelopment and under-resourcing of the sector; some has been facilitated by sustained economic growth over the period; other changes, meanwhile, reflect a more challenging and demanding environment compounded by a deteriorating economic outlook, at least in the short term. Given this context, what is the capacity of the community and voluntary sector to engage cross-sectorally in robust and productive dialogue with Government and its agencies, and with its key stakeholders and institutions? Before we consider that, and related questions, let us look for guidance and insights to a number of other jurisdictions and the relationship between their nonprofit sectors and government.

4. COMMUNITY AND VOLUNTARY RELATIONS WITH GOVERNMENT IN OTHER JURISDICTIONS

4.1. Northern Ireland

In Northern Ireland relations between Government and the nonprofit sector are primarily mediated between the Department of Social Development and the Northern Ireland Council for Voluntary Action (NICVA). NICVA is an umbrella representative and support body for the sector, originally founded in 1938 as the Northern Ireland Council for Social Service. It was modernised and renamed in the mid-1980s. It currently has a membership of 1,029 organisations, both large and small, all of which have one vote each. Membership is open to all *bona fide* voluntary or community organisations which are self-governing and independent of Government, they must be non-profit distributing and non-partisan, and must sign-up to NICVA's statement of values. Political parties, trades unions and faith-promoting or religious-promoting organisations are not eligible to become members – though faith-based social service agencies may become members. Membership fees are graded depending on the size of an organisation's budget and the current annual subscription fee ranges from £10 (€12.56) to £175 (€219.96).¹⁰ NICVA surveys its membership every two years to identify their changing needs, satisfaction levels, etc.

NICVA does not see itself as a conduit between Government and the sector, rather NICVA encourages member organisations to pursue their own strategic interests independently. The organisation does, however, concern itself with the “health and welfare of the voluntary and community sector” and engages with Government on important issues of cross-sectoral significance.

In addition to representing the sector NICVA offers a range of training, information and advisory services to the sector. Training programmes include management development courses in association with business colleges up to MSc level. All services are provided at a reduced rate to members. NICVA also has conference facilities which it rents to nonprofit organisations at about 50 per cent of the market rate.

NICVA's main income derives from three primary sources which are broadly equal – from a Government grant through the Department of Social Development (DSD); from earned income including membership fees, training income and the rent of conference facilities; and project funding, largely from trusts and foundations.

¹⁰ Currency exchange rate at 14th May 2008

The DSD was established in December 1999 as part of the Northern Ireland Executive. It has strategic responsibility for urban regeneration, community and voluntary sector development, social legislation, housing, social security benefits, pensions and child support.

The relationship between the Government and the voluntary and community sector in Northern Ireland is based on an agreement known as the “Compact”. Launched in 1998, the Compact

- *clarifies respective roles in the relationship between government and the voluntary and community sector;*
- *establishes the shared values and principles that underpin the partnership between government and the voluntary and community sector;*
- *identifies commitments to ensure that the values and principles within the Compact will govern future relationships between Government and the voluntary and community sector.*

(H.M. Government 1998:8)

Compacts have also been developed in England, Scotland and Wales. In Northern Ireland NICVA was centrally involved in contributing to the development of the Compact and is the body which endorses it on behalf of the sector. Although short, and couched in relatively general terms, the Compact has been found useful as a benchmark of good practice in the relationship between Government and the sector and in challenging non-compliance. In England this has been formalised through the concept of “Compact compliance” and the appointment of a Commission for the Compact with a Commissioner – a quasi-Ombudsman appointment – whose role is to push for the implementation of the Compact by public sector organisations.

From the perspective of the voluntary and community sector in Northern Ireland the Compact is of continuing value reflecting, as it does, the formal recognition by Government that it does have a relationship with the sector. It has also been helpful in building relationships of trust and understanding between protagonists on both sides. However it is considered that the Compact’s significance inevitably diminishes over time. Given changes in the general environment over the past ten years and, particularly, significant changes in the political institutions and structures of Northern Ireland, the Government is now keen to revise it. NICVA has been closely engaged with Government in monitoring the implementation of the Compact over the past 10 years but has not, as yet, signed up to a new Compact and discussions are on-going about the day to day outworking of the Compact.

The publication of Positive Steps (DSD 2005), a policy on resourcing the voluntary and community sector was also an important watershed at the time. However, while this policy made a commitment to several positive developments in relation to funding the sector, its delivery has been disappointing from a voluntary sector perspective. The Government reportedly failed to

resource the policy which has led to the sector becoming disheartened.

NICVA's lobbying on this and other issues is an important element of its mission and requires careful balancing between the integrity of its partnership with politicians and officials while preserving its independence and representing at all times the interests of its members.

4.2. Canada

Although Canada has had a long history of voluntary activity it was not until the 1970s that the federal government noted the significance of the sector in terms of regulation and accountability, the tax treatment of charities and the potential of the sector for policy development and service delivery. Brock and Banting (2001) trace the context in which, during the 1980s and 1990s, voluntary organisations were contracted to provide many services, especially social services, previously provided by the State. Both federal and provincial governments were struggling to balance their books – in some respects a motivator for the engagement of the sector in the first place – causing the federal government to reduce its transfer payments to the provinces. Provincial governments have lead responsibility for providing social services and, as a consequence, many voluntary organisations were unable to reconcile the competing demands of increased public expectations and reduced subsidies. Subsequently, criticism of a few isolated examples of funding abuses and the limited regulation of charities and nonprofits eventually resulted in separate sector-led Voluntary Sector Roundtable (VSR) and Government-led reviews of the sector in the late 1990s, both of which recommended a range of actions to support and strengthen the sector and to improve standards of accountability and governance.

The Government and the sector then joined forces to consider how to build a new relationship, strengthen the sector's capacity and improve the regulatory framework. The ensuing report, *Working Together: A Government of Canada/Voluntary Sector Joint Initiative* (Joint Tables 1999) established a plan of action to guide changes within the sector and in its relationship with government, combined with specific recommendations in each of these areas. This collaboration led to the launch, in June 2000, of the Voluntary Sector Initiative (VSI), a five-year plan to improve service delivery and government programmes by increasing support to the sector and by enhancing its capacity to meet demands placed on it.

The VSI was an ambitious high-level strategy under the overall stewardship of a Reference Group of Cabinet Ministers and with a senior steering committee of nonprofit leaders as its counterpart. Operationally, a joint coordinating committee of equal numbers drawn from senior ranks of the federal government and voluntary sector representatives, selected by an independent committee,

oversaw the public consultation process, provided feedback to the government and sector, and assisted government departments, the sector and other participants in harmonising their efforts.

Launched to much acclaim and attended by high hopes, the Initiative included a commitment to develop an “Accord” between the federal government and the nonprofit sector to shape the relationship between both sets of interests, to be accompanied by joint codes of good practice on funding and advocacy. The “*Accord between the Government of Canada and the Voluntary Sector*” (Privy Council Office 2001) is a framework agreement that sets out the values, principles and commitments to action into which the Government of Canada and the nonprofit sector jointly entered. The purpose of the Accord is to strengthen the ability of both sectors to better serve Canadians. It was launched and signed by Prime Minister of Canada Jean Chrétien on December 5th, 2001 who stated in his introduction:

“The Government of Canada and the voluntary sector have long worked side-by-side. Now, the Accord between the Government of Canada and the Voluntary Sector marks the launch of a new era of co-operation and respect. I believe that this Accord is the blueprint for a strong and vibrant relationship between the voluntary sector and the Government of Canada. As such, it will show us how we can continue to work together to build a better country. This has always been the Canadian Way, and it is a tradition our government is proud to carry into the 21st century”. (Privy Council Office 2001:i).

Codes of good practice on policy dialogue (advocacy) and on funding were subsequently developed and published in October 2002.

Although the portents had been largely positive and significant progress had been made over a relatively short period, the subsequent victory of the opposition Conservative Party in the 2006 General Election and the associated shift in political priorities from a centre-left government to what is widely acknowledged to be the most right-of-centre government in Canadian history, brought an effective end to the development of a joint approach between government and the nonprofit sector. The VSI was brought to a close during 2005 and, by early 2006, the Voluntary Sector Forum (VSF) – a network of more than 20 key leadership organisations in the Canadian nonprofit and voluntary sector – had no funding, no staff, no Minister, no federal department, little to no recognition of the Accord and Codes, no joint roundtable or advisory councils, and new prohibitions and sanctions on the public policy advocacy work of the civil society and nonprofit community.

One commentator articulates how a changing funding environment can lead to a chain of negative outcomes for the sector

“Non-profits rely on many different sources of revenue and forms of support, ranging from earned income and charitable donations, to in-kind contributions and sponsorships. But changes in funding practices by governments and other funders, which are central to the viability of many non-profits, have over the past 15 years had a significant impact on the sector and its future prospects. Funders have shifted from giving general “mission support” to providing targeted funding for specific projects and programs. They have imposed more stringent controls over how money is spent and for what purposes. Non-profits with a patchwork of short-term funding have seen their capacity to tailor their programs to local community needs diminish, along with their ability to identify and plan for emerging needs. Meanwhile, societal forces are affecting the sector. These include declining levels of civic participation alongside increasing demand for services (many delivered by the sector on governments’ behalf). This has been described as “a perfect storm” scenario in the making”. (Scott 2006:3).

Analysis suggests that the disheartening outcome may be attributed to, *inter alia*, the dependence of the collaborative enterprise on the Government’s continuing commitment to the process; the sector’s level of dependence on Government funding which, at 50/50 was consistent with public funding levels of nonprofit sector activities in developed countries around the world; and the usual limitations on the infrastructure and coordinating institutions within the sector at both the national and provincial level.

In 2005, a new membership representative body for the Canadian voluntary sector, Imagine Canada, was launched through the amalgamation of two of Canada’s leading charitable umbrella organisations, the Canadian Centre for Philanthropy (CCP), and the Coalition of National Voluntary Organizations (NVO) with the intent of building on their respective strengths of advocacy, research and corporate citizenship. Faced with the sudden loss of federal funding support associated with the new federal policy direction following the 2006 election, Imagine Canada has now recovered and received a strong mandate and associated funding from sector organisations to execute the much-needed national collaboration and convening role on research, public policy formulation and advocacy for the sector as a whole.

4.3. Denmark

Denmark has a long tradition of direct service provision by the State to vulnerable populations and currently this represents up to approximately 90 per cent of services. There is, however, a small but vibrant voluntary social service sector numbering approximately 140 organisations, as distinct from a very large number of organisations in the wider civil society, including sports,

residents and political organisations. Currently there is a growing number of voluntary social service organisations being founded, in particular, in response to the needs of people with specific health syndromes. Individual organisations may lobby government in pursuit of their own policy priorities, for example, in relation to children, people with disabilities, etc.

The only independent umbrella organisation for the sector is Isobro – which is concerned, specifically, with fundraising policy and standards. Isobro was founded in April 2001 on the initiative of the fundraising directors of four organisations. It currently has 115 organisations in its membership. It has two main functions – to set and maintain ethical fundraising standards and to lobby for Government policies that facilitate fundraising. Isobro is funded entirely by its membership so it is independent of Government. Its membership comprises approximately 85-90 per cent of all voluntary organisations in Denmark that raise funds from the public. Their combined total income is in the region of Danish kroner 5bn (€670.160m)¹¹, of which approximately Danish kroner 2bn (€268.062m) is raised in donations, with the balance coming from national and local government and from the EU.

Isobro has developed a code of practice for ethical fundraising which was ratified by its membership in 2004. All member organisations are required to abide by the code and this is monitored by Isobro both in reviewing organisation's accounts and by random investigations. In addition to the primary purpose of the code, Isobro's experience is that the code adds credibility to its lobbying activity – it is seen as a “door opener” with politicians in particular who see it as an effective measure to improve standards of practice and reduce the risk of fraud, etc. Isobro has also introduced professional training for fundraisers and has been instrumental in the development of a part-time diploma in professional fundraising in association with University College, Copenhagen which will commence in January 2009.

The focus of Isobro's advocacy is primarily the Ministries of Finance, Justice and Taxation. Meetings are held as necessary, both to discuss relevant issues and also for Isobro to brief Ministers and officials on activities and developments. Isobro also meets with politicians from the Opposition. Relations tend to be good and the politicians are receptive to Isobro's positions.

Individual organisations obtain charitable status under the Danish Tax Assessment Act which allows them to collect money and to benefit from tax exemptions. Currently 830 organisations have obtained charitable status under the Danish Tax Assessment Act. Many of these organisations have a small annual turnover. The current Minister for Taxation has made a ministerial order on VAT compensation for charities under which organisations are treated progressively more favourably the more funds they raise.

¹¹ Currency exchange rate at 13th May 2008

There is no formal agreement between the Danish Government and the voluntary sector. In the late 1990s the then Social Democrat government set out a number of broad principles to guide its relations with the voluntary sector – they were largely aspirational but included an expression of the rights and responsibilities of the sector – and might have been a basis for a subsequent formalised agreement. However, the Conservative government, which succeeded the Social Democrats, has not taken this further but rather sees the sector as a business to which it applies hard measures of effectiveness which are primarily financial.

Although the climate for Government investment in social services is now less favourable than previously, there have been a number of benefits for the voluntary sector. Government policy, for example, favours the number of voluntary organisations increasing, and promotes competition between voluntary organisations and state agencies in service delivery as it seeks to give choice in the services available to the public. Voluntary organisations – including organisations incorporated in other EU member states – are now also being treated more favourably under the tax code. The Government is promoting public-private partnerships which are driving up the professional standards of voluntary organisations. However a perceived downside is that as some organisations, even if only a minority, become more professional they risk losing touch with the voluntary impulse that is the motivation for action at a grassroots level.

The European Union – and the wider world – is considered to be of increasing relevance to Danish voluntary organisations, up to 25 per cent of which now have an international strategy.

4.4. Reflection

It is interesting to note three aspects, in particular, of the experience of the relationship between the voluntary sector and Government in these jurisdictions that have particular relevance to the current situation in Ireland.

- (i) It is clearly important that representatives of the sector are perceived to have legitimacy and a mandate, whether this is expressed formally or informally. In the case of Northern Ireland it is advantageous that NICVA is long established and is recognised as the voice of the sector. In the absence of a single representative body in Canada the leadership of thirteen national umbrella organisations came together in 1995 in response to a number of perceived threats to the sector and formed the Voluntary Sector Roundtable (VSR). Their focus was on the national level and they successfully engaged with the Federal Government to the extent that the Voluntary Sector Initiative was launched. However their legitimacy to speak for the sector was contested, particularly at the provincial level, and this was exacerbated when the leaders of the VSR all took leadership positions in the VSI and shortly afterwards

it was decided, for both pragmatic and strategic reasons, to suspend its role as the sector's leadership body. A recent review of the VSR notes

“The VSR did not go far enough in developing the sector's agenda – far enough in reaching/engaging the sector and far enough in detailing an exact blueprint, so that much of the time within the VSI the sector was in a reactive rather than proactive mode; the sector was not ready to deal with the size and scope of what came forward as the VSI; we did not really have a substantive policy analysis completed or policy capacity once we moved on to the many specific areas” (VSR 2008)

By contrast, although Isobro is a new organisation in Denmark it has grown out of a perceived need within the sector, it has a very specific focus, its relevance is measured by the extent to which voluntary organisations that are engaged in fundraising choose to become members and, while it engages with Government on policy and financial matters, it remains independent.

- (ii) In each country examined above there is evidence of sectoral leaders recognising the importance of promoting good practice and building the sector's capacity. NICVA and Isobro have been instrumental in the establishment of college-based further education programmes specifically for the sector, for example. Meanwhile Isobro puts great store on its code of practice for ethical fundraising and recognises its significance both as a service to (and requirement of) members and in building the credibility and influence of the sector. Similarly, the VSR in Canada recognised the importance of developing codes on funding and advocacy but these were not priorities for Government and were not pursued once the VSR became subsumed into the VSI. Part of the learning here is surely that the sector must remain in control of its agenda and priorities.
- (iii) These examples also suggest that governments cannot, and will not, solve the problems of the community and voluntary sector. At best they can engage with the sector collaboratively, assuming that both partners are satisfied that there is sufficient common cause. It is important to emphasise that each party will be pursuing its own agenda and that collaboration is only relevant where their agendas coincide. In this respect it seems that there is clear value in articulating the basis and parameters of the relationship in the form of an agreement. But as we have seen from both Northern Ireland and Canada such agreements are dynamic instruments and will change over time – if they do not disappear altogether. They need to be seen as processes rather than events, therefore, and require continual monitoring and review. Insofar as such agreements are found to have value, they need to be nurtured and sustained and this is best achieved through robust engagement by both sides. Fundamentally, a

significant insight, of particular relevance to the community and voluntary sector in Ireland currently, is that such agreements must be entered into from a position of cohesion and strength – and the sector must retain its independence so that it can remain strong even in the face of political withdrawal.

5. COMPELLING FORCE OR AN ELUSIVE MASS OF CONTRADICTIONS?

“[T]he nonprofit sector is at once a visible and compelling force in society and an elusive mass of contradictions” (Frumkin 2002:1)

- 5.1. This section will consider issues identified earlier in the paper and critique current thinking and actions of both Government and the sector with particular reference to five contexts - the relationship context, the advocacy context, the Social Partnership context, the operating context and, finally, the sector context. These are dealt with in sequence as the focus for action moves progressively from Government to the community and voluntary sector itself.

The Relationship Context

- 5.2. The size and growth pattern of the community and voluntary sector in Ireland, the number of citizens who claim to volunteer, the presumed (if difficult to precisely quantify) scale of Government funding of community and voluntary organisations, the extent of fundraising for charitable causes, would immediately suggest a “visible and compelling force in society”. But as one looks more closely, a more complex and confused picture emerges – from both sides of the relationship.
- 5.3. The White Paper *Supporting Voluntary Activity* (2000) commits the Government to “formal recognition of the role of the Community and Voluntary Sector in contributing to the creation of a vibrant, participative democracy and civil society”. This commitment is repeated in *Towards 2016*, the 10-year Framework Social Partnership Agreement. Meanwhile NESC (NESC 2005) states the Council’s view that it is “now important to move towards a more formal definition of the relationships between Government agencies and voluntary and community organisations” and this view, too, appears in *Towards 2016* with a Government commitment to maximise the role of the sector “by deepening the partnership between statutory bodies and voluntary and community organisations” (Government of Ireland 2006:70). It should be noted, however, that these commitments are not one and the same. Whereas the White Paper commitment relates to recognition of the societal role of the sector, the *Towards 2016* commitment relates to the relationships between organisations, both statutory and non-statutory. NESC recognises the need to clarify and agree relationships at the national, sectoral and agency levels but is somewhat agnostic as to where the process might start, although it does acknowledge that the national context is important in framing such relationships. A strong case can be made for starting the

process at the macro, or national, level in defining the role of the sector in society, agreeing the principles of engagement and setting parameters. This would then become the framework for clarifying relationships at the sectoral and agency levels.

- 5.4. Indeed the absence of such clarity at the national level has meant that, although the Government has taken a number of important initiatives that are relevant to the sector over the past decade, there is little evidence of coherence or consistency in either its view of the sector or what its relationship with it should be. Specific actions sometimes appear to have conflicting goals, while senior politicians and officials seem to act more out of personal conviction than a well-developed philosophy or considered medium-to-long-term strategy. Fundamentally, there appears to be no worked-through perspective on the sector's role and its contribution to society. For the community and voluntary sector this is an important omission since appropriate Government action to require compliance and accountability needs to be understood within this broader frame – otherwise specific policies to regulate the standards and costs of, for example, service delivery in health and social services, are likely to lead to tensions and ultimate dysfunction.
- 5.5. Another manifestation of the implications of not having a developed perspective on the role of the sector can be seen in the Government's concern to encourage and promote philanthropy and active citizenship – in other words, these are 'good' and it would like to have more. Both of these find their expression through engagement with community and voluntary organisations – whether it is investing funds or one's own time and skills. However several Government officials have expressed the view, in the course of discussions in preparing this paper, that there are too many community and voluntary organisations and that their number should ideally be rationalised – in these terms the growth of the sector is seen as 'bad'. Others would argue that a strong and vibrant sector is a key component of a flourishing democracy. If these perspectives cannot be reconciled, Government will need to unambiguously declare where it stands.
- 5.6. If such an unambiguous stance is not taken, statutory funding agencies are likely to continue to view individual community and voluntary organisations only within the context of their role as, for example, contractual service providers. The relationship is therefore defined by the (legitimate) imposition of administrative controls to assure compliance and accountability without the benefit of a wider and visionary expression of the value of voluntary activity to the wellbeing of society as a whole. It could be argued that, in the absence of a coherent cross-sectoral 'voice' to emphasise its expressive societal value, the community and voluntary sector is colluding in this narrow interpretation of its role. Either way the challenge for Government is to determine whether the same set of administrative arrangements can resolve the current dichotomy.

- 5.7. In the meantime there remains a question – and a challenge – to Government to confirm its commitment to engage with the sector in clarifying its role and determining the nature of their relationship. After all, historically it may have suited both sides to have had an imprecise relationship. That cannot be sustained in the current environment in terms of the engagement of the State with individual nonprofit organisations, but might it continue to suit the Government not to define its relationship with the sector too precisely?
- 5.8. One hopes not – for the clarification of respective roles, relationships, principles and commitments can also serve to give meaning and explanation to purposes, perspectives and practices that might otherwise be misunderstood. For example, Frumkin (2002) suggests that nonprofit activity has four broad functions in society: 1) it delivers critical services within communities, 2) provides an institutional vehicle for social entrepreneurship, 3) promotes civic and political engagement, and 4) allows the expression of values and faith. While each function is important in itself, it is the balance and plurality of functions that are critical to sustaining nonprofit organisations and the sector’s continuing growth and success. He differentiates the delivery of services and provision of a vehicle for social entrepreneurship – which have an ‘instrumental’ rationale – from the ‘expressive’ rationale of civic and political engagement, and values and faith. Frumkin argues that the complexity of the policy issues which nonprofit organisations face is ultimately the product of the divergent roles and responsibilities the sector has assumed. Clearly, Government confronts even greater complexity and, while there will never be a perfect or all-encompassing resolution, at least greater clarity and understanding within the context of an effective framework would be a marked improvement. In this regard, it would be valuable to explore the potential for the development of a ‘compact’ or ‘accord’, perhaps using the principles enunciated in the White Paper as a starting point. However, the sector may not yet be ready to engage in such a process.

The Advocacy Context

- 5.9. Frumkin’s analysis also helps in understanding different perspectives on advocacy by community and voluntary organisations. Whereas the Government view may be that, as publicly-funded service providers (instruments), organisations engaging in advocacy and lobbying are effectively in breach of faith, if not loyalty, community and voluntary organisations would typically see advocacy as critical to their mission and *raison d’être* (in other words, expression is a fundamental role that they perform). Advocacy is also core to their independence, which defines them.
- 5.10. In practice, such standpoints tend not to be quite so clearly delineated. While many officials have an instinctive distaste for advocacy by community and voluntary organisations, most respect it as a function of their role. They may, however, differentiate between service-providing

organisations, that bring intelligence from the field to enhance policy and/or provision, and organisations that solely or primarily advocate. It has to be acknowledged that the legitimacy of these latter organisations is currently being contested by senior officials and, as we have seen above in Section 2.6, they are currently excluded from the definition of charity in the Charities Bill 2007.

- 5.11. Seen from a community and voluntary perspective, however, these organisations are overwhelmingly regarded as key to the sector. Depending on the context it is as legitimate for them to serve the needs, rights and interests of vulnerable populations by seeking to change policies, legislation, and provision as it is to offer services. Some organisations do both, others advocate exclusively. Some organisations also advocate on behalf of the sector, seeking to achieve change that will enhance the capacity and potential of member organisations to better serve their service users. Their role, however, can only be fully understood and appreciated in the context of the community and voluntary sector's place in, and contribution to, society.
- 5.12. It is to be expected that the legitimacy of such activity will be contested – not least by those who bear the brunt of it, frequently the civil servants. Yet advocacy is a tangible and vibrant expression of the possibilities of democracy. Reflecting on the role of participatory democracy and social movements – with particular reference to his native South Africa – Habib (2007) concluded at the CNM Summer School 2007 that

“[t]hese diverse roles and functions undertaken by different elements of civil society, then, collectively create the adversarial and collaborative relationships, the push and pull effects, which sometimes assist and other times compel the state to meet its obligations and responsibilities to its citizenry. The plurality of civil society and the diverse sets of relations that it engenders with the state is thus the strategic mechanism that enables the structuring of accountability between political elites and their citizens in a democracy. This is the essential political condition for a more socially and human oriented developmental agenda. A democratic model of public governance must be responsive to this social goal and be reconceptualised to recognise the plurality of civil society and incorporate the diversity of state-civil society relations that it engenders. Only then will we realise the hope that lies at the heart of the participatory democratic vision, which has inspired so many of the political struggles of the last century.”

Applying this perspective to Ireland immediately suggests the need for Government to find a way to reconcile advocacy with active citizenship. Implicitly, advocacy is central to voluntarism and to civil society, and active citizenship has been noted in the White Paper as an essential part of a healthy society. The promotion of active citizenship cannot be divorced, therefore, from the

impulse to engage with, and shape, civil society through advocacy, amongst other activities – the ‘push and pull effects’ as Habib (2007) refers to them.

- 5.13. Aside from the question of the legitimacy of community and voluntary sector advocacy is the question of how they advocate. Advocacy is itself a broad term and includes such activities as lobbying, informing, campaigning, using the legal process, etc. Clearly contexts, options, prospects and timing are among the factors that might determine the particular strategy to be adopted in any given instance. In an analysis of the environment for advocating on migration issues in Ireland Spencer states

“In practice, an analysis of the policy-making process ... necessitates an understanding of the opportunities and constraints within which decisions are being taken; clarity on who takes the key decisions and on what basis; understanding of the operation of the institutions in which decisions are taken, the process by which it is taken, and the relationship which those external to government have with the decision makers”. (Spencer 2006:7)

- 5.14. This implies a degree of sophistication that has not always been present but, in keeping with other aspects of the Irish nonprofit world, it is possible to discern a growing maturity amongst activists. This is not to suggest that advocacy should be anything but focused and determined, but primarily it needs to be effective. In that respect it generally means engaging at some level with those whom one aims to persuade, so the tactics adopted need to be appropriate to the context and geared to that outcome. While the strength of the case to be made, the evidence provided and the manner in which the case is constructed are fundamental, ‘softer’ elements, including the nature of the relationship between advocate and policymaker and the way the advocacy is conducted, are crucial influencing factors that should not be ignored. It is important, therefore, for both sides to have an appreciation of how they are seen by the other. By the same token, it is reasonable to expect policymakers to have a sufficiently mature acceptance of the significance of advocacy to ensure that organisations’ funding would not be threatened by such activity.
- 5.15. Within the context of the clarification of the relationship between Government and the community and voluntary sector it should be feasible to develop a code of practice in relation to advocacy which, while in no way constraining the independence of the sector, would serve to establish what might be called ‘rules of engagement’. Potentially both the system of Government and the community and voluntary sector would benefit from such an agreement – to the ultimate benefit of society and democracy.

The Social Partnership Context

- 5.16. The engagement of the sector in the Social Partnership process through the Community and Voluntary Pillar has been outlined already (Section 3.8. above) and the informal constitution of the Pillar and its power differential relative to other Pillars has been noted. This inevitably begs the question whether a partnership agreement could conceivably be concluded without the Pillar's engagement and/or consent. What would the likely consequences be of a Pillar 'walk-out' from the negotiations? There is no clear consensus on this question; rather there are effectively two sets of opposing scenarios. The first is that the Community and Voluntary Pillar is now so well embedded in the partnership process, and has contributed so effectively that, in spite of the acknowledged power differential, it is inconceivable that a deal would be concluded without the active participation and assent of the Pillar – otherwise it would be a failure of Social Partnership. The opposing view is that the core of Social Partnership is the pay negotiations and, while the process has other important features, they are of a much lower order. In this scenario, if Government, employers and unions had concluded a pay deal neither they, nor the electorate, would stand for the talks being brought down by the Community and Voluntary Pillar. Both of these views are held, even at senior official level.
- 5.17. Nevertheless, as has already been noted, the Community and Voluntary Pillar has played an important and effective role in the Social Partnership process over the past decade or so (Larragy 2006). Its major success has been in achieving recognition of the significance of policies which promote social inclusion, a concept which is now embedded, not only in the partnership process, but in Government policies and structures. While not necessarily exclusive to the Pillar this does serve to differentiate the Community and Voluntary Pillar from the other Pillars whose concern is their members' interests, rather than their members' customers' interests.
- 5.18. Equally the Pillar is important to Government as, in addition to having its perspectives and expertise included in Social Partnership, it is the channel through which it engages with the community and voluntary sector on a wide range of policies and other issues. It is arguable, indeed, that the Community and Voluntary Pillar has much more significance for Government (and perhaps for other social partners) than it has for the rest of the community and voluntary sector. The Pillar is essentially an informal alliance brought together on the invitation of the Taoiseach, it has no legal status, no existence outside the partnership context, and it does not have a mandate to engage or consult with the wider sector – it does not even have a website. The organisations within the Pillar – many of which are membership organisations and therefore have a significant collective reach into the sector – are free to pursue their specific interests and reflect their particular constituencies without reference to organisations outside it.

- 5.19. This is not a criticism. The Community and Voluntary Pillar is what it is. Social Partnership is what it is. The fundamental question needing to be asked here is how it is that the community and voluntary sector as a whole appears not to have a view on whether, and in what form, it should engage with social partnership.

The Operating Context

- 5.20. In a broad sense the operating climate for community and voluntary organisations has been quite favourable over the past decade, certainly in terms of growth, new Government initiatives, new opportunities and the availability of increased funding and sources of funding. It has also been a challenging environment with many organisations having to respond to the paradoxically increased demands of vulnerable populations and rapid social change in spite of economic growth, while the compliance requirements of organisations have also increased significantly. As we look ahead to a considerably less promising and stable economic picture and a more regulated environment it is important to identify a number of issues that warrant attention at the levels of both government and sector.
- 5.21. *Towards 2016* restates the Government's commitment to reviewing the funding mechanisms for the community and voluntary sector (to identify areas of overlap and gaps) and to the principle of multi-annual statutory funding. The former commitment will not necessarily bring good news to the sector although the latter, if acted upon, will lay to rest a longstanding demand.
- 5.22. The relevance of current Government funding practices for the behaviour of the 'market' is worthy of exploration and analysis. For example, while politicians and civil servants may complain about the burgeoning number of organisations, the plethora of small, once-off grants they often provide may be at least partly responsible for spawning the number of small, and often short-lived, organisations. Similarly, a focus on project-funding can encourage short-term action and perspectives that are not sustainable in the longer term.
- 5.23. Government and its agencies are frequently critical of the standards of community and voluntary organisations in terms of their capacity, leadership, management and governance – all of which are now recognised as critical to the achievement of effective outcomes. Yet statutory funding agencies frequently refuse to recognise overheads as legitimate costs in funding applications. As a result many community and voluntary organisations fail to invest adequately in management and leadership, internal and external infrastructure, strategic development and governance, not only to their own detriment but also that of their funders and service users. By contrast, the UK Treasury first endorsed the principle of full cost recovery in 2002 in its cross-cutting review of

the role of the voluntary sector in service delivery. The review stated that “[f]unders should recognise that it is legitimate for providers to include the relevant element of overheads in their cost estimates for providing a given service under service agreement or contract”. The review required all departments to “incorporate the review’s funding recommendations fully into their procurement policies by ensuring that the price for contracts reflects the full cost of the service, including the legitimate portion of overhead costs” (HM Treasury 2002:40) and established a deadline of April 2006 for its implementation by all statutory funders.

- 5.24. With the establishment of the embryonic Centre for Effective Services (CES) the Government is joining with philanthropy to facilitate service providers in accessing highly sophisticated professional support in evidence-based service design and evaluation. Similarly, the Government might productively engage with the sector in examining opportunities to assist it in achieving greater operational efficiencies which could include incentivising and rewarding innovation, for example, in shared services arrangements. They might also consider the potential for the sector to contribute its perspective and experience to the task of promoting philanthropy.
- 5.25. Considering the significance of the community and voluntary sector in Ireland, the scale of funding from Government, philanthropy and the public, the dearth of information and data on the sector is extraordinary. Notwithstanding important research undertaken to date, this represents a major challenge for all interests, not least in better understanding the sector and its environment. It is impossible to have good policy or planning without good data and we are seriously deficient in this respect. It is regrettable that there is no sustained State-sponsored research programme on the sector and the reinstatement of the White Paper funding commitment with regard to research is an urgent priority.
- 5.26. In considering a number of steps that the Government might take in support of the community and voluntary sector a lack of clarity remains as to how the Government fundamentally sees the sector’s contribution to society and its role in support of the sector. What is its potential value and how might it be realised? How interventionist or *laissez-faire* should Government be? Does it have a role to play in creating the conditions in which a vibrant community and voluntary sector might flourish? Apart from ensuring appropriate accountability should Government concern itself with the calibre, capacity and effectiveness of the sector? Are there parallels to be found in the Government’s role in creating a positive business environment? Should the Government create an ‘Enterprise Ireland’ for the community and voluntary sector?
- 5.27. The most appropriate role for Government *vis-à-vis* the sector will depend on its analysis of both the problem and the opportunity – and on the capacity of the sector to influence this. The rationale for Government intervention in any sector is its identification of a market failure that,

if not addressed, would have a negative impact on the public interest. In a business context, the public interest is, for example, that substantial resources are invested in research and development to the benefit of the economy and ultimately the public. Yet, the investments of business alone are unlikely to be sufficient, so there is both a need and an opportunity for Government to intervene. In the community and voluntary case, the public interest might be to have a strong and vibrant sector as a cornerstone of democracy and with the capacity to deliver first-class services to the public. The “market failure” in this case is that community and voluntary organisations alone do not have the resources to invest adequately in developing the necessary leadership and capacity to fulfil its potential. This is an opportunity for productive engagement of both the sector and the State.

- 5.28. Fundamentally, it is essential that the sector develop a view on its needs and how they might be met. Otherwise, Government will either find it difficult or impossible to engage, or it may engage in a way that is not appropriate or effective. We can benefit from international experience here: in the aftermath of the demise of Canada’s Voluntary Sector Initiative Eakin (2006) reviewed the experience of the sector in a number of national and sub-national jurisdictions mainly in Australia, the United States, the United Kingdom and New Zealand. She found that

“In the jurisdictions where collaboration between the nonprofit sector and government was undertaken without strong nonprofit self-organisation, participants reported two things. First, government tended to drive both the process and the agenda and the sector was unable to ensure that its issues were addressed because it could not effectively communicate with or mobilize the sector. Second, in the instances where the government provided the sector with financing to engage in the process and then withdrew that financing, the crisis of resources that followed seriously set back the fledgling organisations at a critical stage in their development”. (Eakin 2006:17)

Such insights and experience are important in considering how the development of the sector in Ireland might be advanced.

The Sector Context

- 5.29. So far in this Section the emphasis has been significantly on actions the Government might take to strengthen the community and voluntary sector. Some would argue that the sector is all too prone to look to Government to resolve its issues and challenges, while international experience suggests that a strong sector is a critical requirement for sustained progress. Does the community and voluntary sector have a collective view of its role in Irish society any more than Government has? Does a sector that is characterised by vision, passion and commitment have a vision for itself?

- 5.30. More concretely, does the sector have the capacity for robust engagement with Government – and other interests – on the range of issues identified in this paper? How can it when it does not exist as a “sector” other than as a theoretical construct?
- 5.31. It is not the function of this paper to suggest that community and voluntary organisations in Ireland should coalesce, never mind to address the processes and structures that might enable that to happen. However it is relevant to identify some of the consequences and some of their implications arising from the absence of a cross-sectoral ‘voice’.

The community and voluntary sector

- cannot adequately identify what it wants and needs, or speak with one voice to Government – this limits its credibility and capacity to influence, and it enables processes to be determined and managed by other interests
- cannot collectively assess the extent of the shift in the landscape over the past decade nor to engage on behalf of the sector in a range of policy structures and processes including with Government Departments and agencies – this has resulted in a loss of potential influence and achievement
- cannot collectively engage in, nor contribute to, the Social Partnership process – this means it cannot influence what is agreed in its name while other issues in which it has an interest may not be tabled
- cannot comprehensively assess its readiness for the introduction of charity regulation – this may result in some organisations struggling, or perhaps failing, to comply
- cannot develop or communicate its identity as a sector and its contribution to the health of society – which can result in it underselling itself to stakeholders (including the general public) and also missing opportunities
- cannot defend itself against unfair or inaccurate criticism – resulting in a potential loss of credibility and respect
- fails to build or add value to the efforts of various sub-sectoral groups and alliances – thereby creating perceptions of fragmentation and causing duplication
- cannot develop a proposition with regard to promoting the combined sector to philanthropy nor can it collectively determine a strategy to address specific challenges. For example, the sector has not addressed the implications of the anticipated closure of the two largest philanthropic funds currently operating in Ireland in less than ten years and the risk, therefore, of both losing income and missing out on opportunities to influence
- fails to develop shared positions on the major issues of policy and practice that have an impact on vulnerable populations, for example, the effects of disadvantage, or the quality of the health service. Such failure results in the loss of potential impact
- is not in a position to learn from the experience of nonprofit sectors in other jurisdictions. This may result in pursuing courses that have been found to be ineffective or counterproductive elsewhere.

- 5.32. These are just some of the potential consequences of the sector not having a combined identity or voice. Why has the sector failed to cohere around these and other challenges? Why does it not represent itself and its interests in the various arenas and what impact does this lack of representation have on the affairs of individual organisations and, ultimately, on the interests of their beneficiaries?
- 5.33. In spite of the absence of consolidation of the sector, the existence of a significant number of organisations and alliances at what might be termed a sub-sectoral level has been acknowledged. In general these are characterised by strong leadership, committed membership, and effective and strategic representation and advocacy. Yet, inevitably, important gaps remain in terms of the sector in its entirety. How might the efforts of these existing organisations at sub-sectoral level be capitalised and grown to address this deficit? The answer is not necessarily to create an institutional super-structure – which might well fit administrative needs but deaden diversity – but perhaps to explore the potential for existing organisations to coalesce around a specific agenda.
- 5.34. The extent to which the issues identified in this section are considered pressing and requiring of a response can only be determined by the constituent parts of the sector – but without some level of cross-sectoral engagement it will be impossible for the sector even to formulate a considered view. If cross-sectoral engagement is to happen, it will ultimately require leadership. Yet, considering the presence of many highly respected and capable leaders in the sector at organisational and sub-sectoral levels, it is remarkable that, as yet, such engagement has not emerged across the sector. This issue, in itself, needs to be better understood.

6. CONCLUDING OBSERVATIONS

- 6.1. The landscape in which community and voluntary organisations are operating in Ireland has clearly changed very radically over the past 15 years – on the one hand becoming more favourable, on the other more challenging. The size and capacity of the sector has also grown during this period with increased professionalism and influence. The Government’s engagement of a number of community and voluntary organisations and coalitions in the Social Partnership process has been significant and influential.
- 6.2. Nevertheless there is a sense that the sector continues to labour under significant constraints, not only of funding, but of limited capacity, opportunity and support and that it has yet to realise its full potential. There is also considerable disparity of capacity between organisations and sub-sectors.
- 6.3. In the meantime, for all its engagement with Government, the relationship is informal, ill defined and contradictory. There does not appear to be a coherent Government view other than in specific areas of policy. It is unclear how this will develop in the coming years in an increasingly uncertain climate.
- 6.4. It is hardly surprising that the Government does not have a consistent or coherent view of the sector since the sector appears to have neither a vision for itself nor the organisation or means to pursue it. There is also an inclination to look to Government to resolve the sector’s issues and problems, rather than for the sector to take responsibility for at least clarifying its priorities and options.
- 6.5. This confused picture is reinforced by a dearth of information and data on the sector, its key dynamics and relationships. This is a considerable impediment both to the development of coherent and effective policy and to communicating the contribution of the sector to its diverse stakeholders. It is vital that the White Paper commitment to fund a research programme on community and voluntary activity be honoured.
- 6.6. While individual organisations, sub-sectoral organisations and coalitions seek to engage with this complex and uncertain environment, there is currently no means by which they can come together cross-sectorally, that is, as a ‘sector’. As a result the sector might be described as sleep-walking into its future. Although it is confronted with major issues – including regulation, funding, advocacy, and its role in society – there is little sense of concern or urgency, never mind awareness, to be discerned in the sector as a whole. There is no evidence that the full implications of these challenges – nor, indeed the opportunities that similarly exist – are acknowledged and, without a process to evaluate and address them, it is difficult to see how it will find its way forward. Whatever the solution – indeed, if there is a solution – it will need to be process driven.

- 6.7. The sector is also failing to maximise or harness its legitimate power and influence. It is currently incapable of producing specific data on its achievements or its contribution to society, or of quantifying the additional resources that it raises for public benefit. It does not engage in marketing and fails to coherently manage its communications with its disparate audiences.
- 6.8. This is hardly a surprise, as the problem for the sector is a familiar one. Typically, individual organisations are so committed to their specific missions and so constrained in terms of discretionary investment of their time, energy or funds, that they must invariably focus their attention on the most immediate and directly relevant priorities. Even where organisation managements might identify the long-term significance of important issues in the external environment, their boards are understandably reluctant to allow them to commit resources to the greater good of the sector as a whole.
- 6.9. This suggests that any effort to raise awareness and generate debate on these challenges within the sector must take care to be inclusive of boards of management. Boards will be key decision makers in determining the extent to which individual organisations engage with the relevant issues and commit to joint action in addressing them.
- 6.10. As to what that joint action might look like, it seems that it will be important to resist the urge to rush to fill the void with an institutional solution. Although it might have suited our purposes if we had had a single, long-established representative body, as our colleagues in Northern Ireland have had since 1938, this is not necessarily the best option for today. Firstly, because it is important to acknowledge and respect the significant number of organisations that now exist at both cross-sectoral and sub-sectoral levels. Secondly, because efforts to add a “super-structure” would not necessarily suit the need, would inevitably be complex and resource-intensive and, in any event, would be likely to absorb all available energy and other resources over several years without addressing the immediate and urgent challenges with which the sector is currently faced.
- 6.11. Instead, it may be preferable for the sector to find processes and forms that are more consistent with 21st Century requirements and more suited to addressing these challenges quickly and effectively. This will involve building collaborative but fluid relationships, sharing analyses and resources, and making commitments to effective and sustained joint action cross-sectorally.
- 6.12. Fundamentally, this is a challenge of leadership and it remains to be seen whether the sector can rise to it. Although, as we have seen, any initiative should have an appropriate mandate, the sector has, in the past, been dogged by problems of representation which have sometimes paralysed it. This is a situation that calls for new frameworks, processes and behaviours.

- 6.13. This paper has sought to identify the current status of the community and voluntary sector in Ireland, with a particular focus on identifying existing and anticipated challenges for the sector. But behind every challenge is an opportunity to be grasped. Perhaps now is the time for the sector to demonstrate its maturity. Perhaps now is the time for sectoral leaders – who can be found in both individual organisations and coalitions – to step forward. Perhaps this is the opportunity for the sector to realise its undoubted power and potential.
- 6.14. It seems critical that the sector at least develops a collective view on its current status and a shared understanding of both the challenges and opportunities with which it is faced. This may not coincide with the analysis set out in this paper, but it is essential that there is one. Yet, extraordinarily, the sector at present has no means to develop or agree such an analysis. That is surely negligent. In considering the environment in which community and voluntary organisations are operating in Ireland, the sector’s internal and external processes and relationships, and the reality of further significant change on the horizon, one can only conclude that this is an “industry” that is not taking care of business. It is not taking care of its own development, it is not forging the external relationships that could support it in meeting its needs and, most fundamentally, it has no coherent vision of itself.
- 6.15. Implicitly this raises a doubt as to whether, in fact, it is valid to regard it as a sector at all. Ultimately this is a question that can only be answered by community and voluntary organisations themselves. Because, while it may be a sector conceptually and potentially, surely this can have no meaning unless its constituent parts conceive of it as a sector and act accordingly?

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