

Intersections and Innovations

Change for Canada's Voluntary and Nonprofit Sector



The Muttart Foundation



Part III Innovation and Intersections

Community and Corporate
Intersections

Intersections with Governments:
Services and Policy Engagement

Measuring Impact and
Communicating Success



The Muttart Foundation

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Acknowledgements

For far too long, Canada has lacked a comprehensive resource examining Canada's charitable sector. That has now ended.

The Muttart Foundation has spent many years focusing on building the capacity of charities in this country. The publication of this collection is another contribution to that effort. By understanding more about itself, the sector can continue to develop and find new ways to serve Canadians and those in need outside our nation.

The authors of these essays bring different perspectives on the role and inner workings of Canada's charities. Collectively, they bring an unprecedented insight into the work of organizations whose diversity is exceeded only by their desire to serve.

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The work of all of these individuals has come together in this resource which we dedicate to all of those in, or interested in, Canada's charitable sector.

Malcolm Burrows, President

Bob Wyatt, Executive Director



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Part III Innovation and Intersections

Intersections with Governments: Services and Policy Engagement

Chapter 28 Contentious Collaboration: Third Sector Service Delivery in Quebec



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Among all the changes that have characterized the evolution of the third sector since the 1980s, in Quebec as in most Occidental welfare states, those related to the delivery of social services are the most significant. A rise in the importance of services was fuelled by important demographic and labour market shifts that crystalized in that decade, creating new social risks and leading to new sources of vulnerability and deeper needs within the population (Jenson, 2004). Women's increased participation in the labour force; precarious employment, particularly for men; female-headed households; greater longevity (though not always in good health); and rising levels of insecure migration exemplify the types of situations that posed serious challenges to traditionally available social services. Advocacy groups drew attention to these issues from the start (Favreau, 1989; White, 1997; Jetté, 2008), and community-based organizations were the first responders, devising new kinds of services such as alternative mental health services, employability development, daycare centres, homecare services, and migrant settlement and integration services. The COVID-19 pandemic showcased the interdependency of government and the third sector when it comes to protecting vulnerable populations, such as the homeless. But it also proved that, more than 30 years later, all these challenges remain acute.

In Quebec, repeated austerity measures imposed by governments of all stripes have continued to exacerbate these social problems, even as community-based service innovations have inspired and instigated the adoption of new public programs to deal with them. This chapter describes and explains the strategic influence of Quebec's third sector on the province's unique and evolving service delivery models.

A vast and varied literature has arisen, referred to as "new public governance," that is dedicated to analyzing the evolving relations between states, markets, and third sector organizations in



this changing context (Osborne, 2010; Pestoff, Brandsen, & Verschuere, 2013). As the dominant explanation of the changes in Canada and internationally, the new public governance literature has a decidedly institutionalist bent: it tells us that the third sector has evolved as a result of institutional changes in the welfare state, including policy discourses, funding, and partnership arrangements. This set of assumptions and supporting empirical evidence has been applied widely to the third sector operating at the federal level and in many Canadian provinces (Leduc Browne, 1996; 2000; Phillips & Levasseur, 2004; Evans, Richmond, & Shields, 2005; White, 2005; Elson, 2016). This literature is often attentive to the ways in which the third sector has had to strategically adapt its practices to evolving institutional discourses and arrangements (Laforest, 2004). But the presumed responsive stance of the sector is problematic when applied to Quebec (Laforest, 2011; White, 2012a).

To examine the involvement of third sector organizations in service delivery in Quebec, this chapter initially adopts an institutional perspective but then brings in a political perspective. On the one hand, the specific institutional history of Quebec goes a long way in explaining striking differences between government–third sector relations there and in the rest of Canada (Salamon & Anheier, 1998). Until the 1960s, the province’s educational, health, and social services, as well as its charity and voluntary sector, were organized at the parish level by a powerful and centralized Catholic Church. Small minority communities remained in charge of their own service organizations. However, during the “Quiet Revolution” of the 1960s, a centralized and activist welfare state was born, displacing the role of the Church by incorporating and remodelling its service-delivery bureaucracies (White, 1997). As Premier Jean Lesage argued in 1961:

We need powerful means, not only to meet the inevitable challenges that we will face in the coming years, but also to put the French-Canadian people in tune with the present-day world. Now, the only powerful means that we have is the Quebec State, *our* state. We cannot afford the luxury of not using it. (Quoted in Pelletier, 1992: 617, translated by the author)

Most Quebec provincial governments since then have been driven, to different degrees, by a mission to protect and develop a distinct Québécois society within North America, and the construction of an ambitious welfare state has been one of the principal means. To the extent it has succeeded, it has done so through an intensive relationship with the third sector. Indeed, Quebec’s third sector experienced its own Quiet Revolution during the same period. Local parish-level groups freed themselves from the influence of the Catholic Church and reorganized to take up the cause of radical social-justice reforms.

On the other hand, this uniqueness also includes the co-construction of a set of operating environments for third sector organizations involved in service delivery that cannot adequately be analyzed as “responses” to consecutive welfare state reforms in Quebec. We need instead to turn to more robust theories of collective action. Quebec’s third sector is composed not only of organizations, but also of organizational alliances, formalized as collective action-takers with their own identities and projects (Osborne & Hagadoorn, 1997), able and willing to influence the institutional environment in which they operate. Indeed, these collective actors advertise themselves as “movements.”

Focusing on the role of Quebec’s third sector in the reconfiguration of service delivery, the chapter describes and explains the recent state-led and community-led drivers of innovation in



the realm of social services, with an accent on collective actors – both public and third sector. To illustrate the diverse dynamics involved, it presents four stories of service-delivery innovation, all unfolding since the end of the 1990s: 1) local service networks, 2) social enterprise involved in homecare services, 3) affordable nonprofit daycare, and 4) public–private partnerships between private foundations and government. None of these are unambiguous success stories. The common thread in presenting them is the active – rather than reactive – role of the sector in shaping not only policy, but also the framework within which state–third sector relations unfold in Quebec. The remarkable absence of competitive tendering for contracts and performance-based evaluation in the health and social service sector in Quebec exemplifies the unique institutional dynamics at work there. I begin by defining what is meant by innovation and collective actors.

Collective Actors as Drivers of Innovation

The literature on state–third sector relations suggests that, despite the inevitable asymmetry of the relationship, third sectors push back. We know this because there is considerable variance in the effects on third sectors of the neo-liberal turn that began toward the end of the 20th century, even within liberal welfare states where a “contract culture” came to dominate (Maddison & Denniss, 2005; Phillips, 2006; Casey & Dalton, 2006, Chaves et al., 2004). Moreover, research has shown that third sector organizations have played a variety of influential roles in the shift toward new policies and forms of governance (Jenson, 2004; Dobrowolsky & Saint-Martin, 2005). Numerous authors have pointed out that in many countries, including Canada, social services, social policies, and welfare-state governance have been historically co-constructed and co-produced by the third sector and government (Rekart, 1994; Valverde, 1995; Elson, 2009). In Adil Najam’s words, the third sector can play the role of the “policy entrepreneur” who increasingly “collides” with government in the policy stream, as they seek to make government “do things that [it] either refuses to do, does not do enough of, is incapable of doing, or is unable to do” (Najam, 2000: 380).

However, due to different and fragmented civil society trajectories, not all elements of the third sector – and indeed, not all third sectors – are equally organized in ways that allow them to exert influence on public policy. Indeed, state–third sector relations have been demonstrated to follow a range of differing types; for example, from cooperation to confrontation (Najam, 2000) or from sub-contracting to co-construction (Savard & Proulx, 2012). Co-construction refers here to the joint participation of public and third sectors not only in service delivery (i.e. co-production), but also in the development of policy and programs (Vaillancourt, 2009; Jetté & Vaillancourt, 2011). For the third sector to become an effective actor in policy co-construction, it needs to become a collective actor that comes to the table with its own agenda: organizations must unite to construct a collective identity, by naming and framing the logic that drives them (Mellucci, 1995; White, 2012a; Skecher & Rathgreb-Smith, 2015). Without this precondition, the third sector remains a “loose and baggy monster” of individual organizations (Kendall & Knapp, 1994), unable to counter the identities and roles ascribed to its different components by government.



From this perspective, we might say that innovation in service delivery has occurred when the government's view of how services should be conceived and delivered is significantly influenced by the agenda of third sector actors, or when specific programs are inspired by alternative visions or strategies generated, modelled, and promoted by the third sector. This chapter will describe four such experiences. But first, it would be helpful to provide a map of Quebec's third sector. Like all third sectors, it is far from homogeneous, even within the bounds of the social service sector. However, its component parts, or "collective actors," are for the most part well institutionalized, with identities that differ from those of third sectors in the rest of Canada.

Situating Service Delivery Organizations on the Map of Quebec's Third Sector

According to Imagine Canada, there are more than 170,000 nonprofits in Canada, of which 29% are located in Quebec (compared to 28% in Ontario, the second-highest concentration). Quebec's third sector is densely populated, but its structure is distinctive. Hospitals, social service agencies, and post-secondary institutions are all part of the public, not the nonprofit, sector. Therefore, third sector service delivery is carried out for the most part by about 10,000 small community-based organizations or social enterprises. Their funding comes principally from governments (approximately 60%) and, increasingly, from public and private foundations. Individual donations and commercial activities are far less important. In Canada as a whole, social service delivery organizations are usually called "charities" (*organismes de bienfaisance* in French). But this term is rarely used in Quebec, where it evokes the image of traditional, faith-based, and donor-based voluntary associations from an era before the welfare state.

Third sector service-delivery groups in Quebec fall into two main categories: "community organizations" (approximately 5,000) have been active in more or less their current form since the 1970s; and "social enterprises" (approximately 6,000), which came on the scene in the 1980s. One of the principal distinguishing characteristics is the place of commercial activity: it is unheard of in community organizations but required of social enterprises and expected of cooperatives. In Quebec, there is a culturally embedded suspicion of the role of the market in social welfare, undoubtedly inherited from Catholic social teachings and shared with many Christian Democratic states in Europe. Therefore, the birth of social enterprise, particularly in the field of employability development, created serious tensions within the third sector. First, these new types of organizations contracted with government to implement public programs, rather than developing their own alternative interventions closely aligned to local needs. But those designated as social enterprises, because of their commercial activity (e.g. recycling, popular restaurants, services for people with disabilities) were also expected to compete in the market. These fault lines served to construct ideological boundaries between different sorts of third sector service-delivery organizations. And these identity boundaries were respected by government, to the extent each is now regulated according to a different set of policies, developed with the collaboration of the groups themselves (see Table 1).



The government policy for the recognition and support of community action was adopted in 2001 (Gouvernement du Québec, 2001) and consolidated the non-commercial and social activist identity of community-based service-delivery organizations. It had been the government's intention to develop an all-encompassing social economy policy, including social enterprises. However, its plans were hijacked by the Quebec Network for Autonomous Community Action, which emerged in the mid-1990s for the specific purpose of taking control of the policy that was intended to regulate community organizations. Its campaign to define the policy was successful and in this way consolidated the exclusive collective identity of community organizations (White, 2012b). The policy does not address social enterprises, foundations, or nonprofits whose missions do not involve service delivery. Moreover, it also distinguishes between two categories of community action. "Autonomous" community action refers to independent, alternative service organizations, with a self-defined mission that includes citizen engagement, popular education, advocacy, and other non-partisan political activities. "Complementary" community action refers to nonprofit service delivery in the context of government policies and programs.

Both are associated with small, community-level nonprofits that encourage local participation. And the boundary between the two is far from clear in real life; it is constructed through the rules of access to different government funding formulas. Any community organization providing a service in the public interest may obtain project funding or enter into service agreements with government ministries and agencies. But only "autonomous community action" organizations are entitled to apply for three-year, renewable operating grants, with no reporting requirements beyond the submission of their annual report. While most also enter into service agreements, more than 4,000 organizations funded by 48 government programs falling under this policy receive grants to produce alternative social services and to carry out advocacy and popular education activities. More than half of government funding is in the form of such organizational grants (53.5%), followed by service agreements (36.3%) and project funding (10.2%) (SACAIS, 2019). Service agreements are increasing in number and value, while grants are not. However, service agreements are not associated with a competitive tendering process. Consequently, this policy institutionalizes a government-supported, "market-free zone" within the third sector, as it recognizes and supports advocacy and citizen engagement.

This policy was ostensibly "forced" upon the government by the Quebec Network for Autonomous Community Action: it implemented a series of highly effective collective action strategies over a period of almost five years, and in a final match, it successfully played on government's political need to sign the policy into effect. This resulted in a policy largely rewritten by the Network for Autonomous Community Action (White, 2012b). But the Quebec government has always been far more interested in promoting the social economy. In the wake of its experience with the community action policy, it worked hand in hand with the Chantier de l'économie sociale, representing the interests of social enterprises and cooperatives, and in 2008 adopted the first governmental action plan for the development of collective enterprise (Gouvernement du Québec, 2013). A law to recognize and regulate the social economy, and to set up rules and instruments for its expansion and a sustained partnership with government, was finally adopted in 2013. Like the policy for community action, this law establishes an exclusive definition of the social economy: it refers to nonprofit enterprises and cooperatives with a social purpose that, through their participation in the market, contribute to the well-being of their members or the community and to the creation of high-quality jobs.



Through this law and various other actions preceding and following it, the Quebec government has promoted the creation of an “ecosystem” of technical supports and financial levers that have fostered a flourishing of this segment of the third sector (Dorion, 2016). In particular, it has provided platforms for the expansion of social enterprises through their integration in certain social and local development policies; we will take a closer look at two of these in the following sections. Still, innovative private and union investment funds have been the most important factors for the recent growth and diversification of the social economy in Quebec. Moreover, while community organizations have been protected from market influences, the most recent government policies with respect to social enterprises have increased their exposure to the market.

Table 1: Institutional Distinctions within Quebec’s Third Sector

	NON-COMMERCIAL ACTIVITIES	COMMERCIAL ACTIVITIES
PUBLIC INTEREST	<p>Community action organizations <i>Governmental policy for the recognition and support of community action – 2001</i></p> <ul style="list-style-type: none"> Autonomous community action Alternative service delivery Advocacy, citizen engagement <p>• Complementary community action</p> <p>Public service delivery</p> <p>Public foundations <i>Canada Revenue Agency – 1977</i></p> <p>Multiple sources of revenue At least 50% of revenues distributed to “charities”</p>	<p>Social economy/social enterprises <i>Law on the development of the social economy – 2013</i></p> <p>Nonprofits involved in commercial activities with a social objective e.g. employability services, job creation, community services</p>
MEMBER INTERESTS	<p>“Regroupements” (peak associations) Nonprofits representing the interests of community-based nonprofits by sector, place, or scale</p> <p>Private foundations <i>Canada Revenue Agency – 1977</i></p> <p>Controlled by private interests Dedicated to charitable causes</p>	<p>Social economy/Cooperatives <i>Law on the development of the social economy – 2013</i></p> <p><i>Law on cooperatives – 2015</i></p> <p>Co-ops involved in commercial activities with a social objective e.g. housing co-ops, food co-ops</p> <p>Other nonprofits <i>Part 3 of the Companies Act of Quebec</i> e.g. culture, business associations</p>



Private investment in community services has also been growing, through the relatively recent expansion in the number of foundations and, particularly, private foundations (Gagné & Martineau, 2017). Traditionally, public foundations such as Centraide (United Way) have made an important contribution to the financing of community-based service-delivery organizations in Quebec. In recent years, private foundations have proliferated in Quebec, with the province now accounting for 20% of the largest 150 private foundations in Canada (PFC, 2017), including many of the wealthiest family foundations (Phillips, 2018). Not surprisingly, grants by private foundations now account for double those of public foundations, and investments in health and social services are second from the top (Blumberg, 2016; Gagné & Martineau, 2017).¹ But it is difficult to pinpoint the place of community-based organizations as grant recipients, since the categories of health and social services include hospitals and nursing homes, which in Quebec are not part of the third sector.² One case of significant private investment in community-based child and youth services will be discussed later in this chapter, as it ultimately served to mobilize private foundations in general to support innovate community-based social-services and social-development projects.

In the following section, we will begin to look at the networked system of service delivery in Quebec as having been innovative from the start, particularly with respect to the interdependency of the public and third sectors in the sphere of health and social services. It has evolved through a contentious but collaborative relationship between community organizations and government that has left a significant portion of community-based service-delivery organizations largely in control of their operating environment.

Local Service Networks over Time

The evolution of the place of the third sector in service delivery in Quebec is tightly bound up with that of the public sector health and social-service system. This system is highly centralized, in the sense of being integrated and coordinated by the provincial government. At the same time, it is place-based. From its inauguration in the early 1970s, the CLSC (local community service centre) – modelled on grassroots community action in the 1960s – was a prominent feature of the system, intended for community-level, primary health and social-service delivery.³ There are approximately 150 CLSCs across the province, and with their multiple service points they ensure a presence in almost every urban neighbourhood, town, or village. Since the 1990s, consecutive reforms implemented by various governments have merged CLSCs with nursing homes and hospitals, so that today there may be 10 CLSCs in a single metropolitan health and social-service administration.⁴ Although their mandates have evolved, and their flexibility greatly reduced over the years, the CLSCs have nonetheless maintained their local presence, not least in the public imagination: everyone has “their” CLSC. One of the principal mandates and specific characteristics of the CLSC has always been to liaise with community-based service-delivery organizations.

Four major reforms have marked the evolution of this local interdependency. The first was the very creation of CLSCs, beginning in 1971 and continuing throughout the 1980s until the completion of the network. Many in the community movement saw the CLSCs as usurping and institutionalizing formerly autonomous community health and social action originating in free



clinics and other “radical” organizations that distinguished Quebec’s third sector during the Quiet Revolution of the 1960s. But in fact, the CLSCs became strong allies of the community organizations in their local districts. This interdependency was supported by the Health and Social Service Ministry’s inauguration, in 1973, of a program to finance local third sector service-delivery organizations. The program was meant to complement the government’s limited capacity to meet social needs in non-traditional areas such as women’s health (e.g. shelters, family planning), mental health (e.g., community integration and group therapies), and alternative youth services. As such, it supported the autonomous activities of these groups, financing the organizations themselves rather than specific services. This program eventually served as a model for the 2001 Policy for the Recognition and Support of Community Action.

In the wake of the recession of the early 1980s and an accompanying rise in needs, this fund financed a rapid expansion of service delivery by the third sector. Throughout this period, the CLSCs provided organizational and technical support to community organizations in their districts and fostered intersectoral collaboration, for example by coordinating local committees to address specific issues such as mental health or the needs of youth or the elderly. In a second major reform, in 1991, the government sought to institutionalize these emergent intersectoral relations by officially designating community organizations as “partners” in the public-sector health and social service system. But this ascribed identity was strongly rebuffed by the community movement. Its success in resisting what was viewed as the harnessing of community action to public policy was consolidated throughout the decade and culminated in the 2001 Policy for the Recognition and Support of Community Action, including autonomous and alternative community action.

The third and fourth major reforms, in 2004 and 2015, were driven by austerity and were characterized by mergers of different types of public sector health and social-service establishments. The first wave of administrative integration consolidated a trend toward the merger of CLSCs with long-term-care facilities and, in the non-metropolitan regions, with local hospitals. The 92 service-delivery entities thus created were called CSSSs (health and social service centres), and they were to serve catchment areas equivalent to two or three CLSC districts. The definitive aspect of the reform, however, was the “creation” of local service networks, or RLSs.⁵ Each CSSS was mandated to coordinate an RLS – that is, to coordinate the collaboration among all private and third sector health and social-service delivery organizations in its territory – this, to the shock of the community movement. It considered that such RLSs already existed and resisted the idea that they come under any form of public authority. However, the CSSSs were entirely preoccupied by their internal reorganization and rarely took up their mandate to coordinate community-based service-delivery organizations within their territories.

The vacuum left by CSSS inaction on the development of RLSs was filled, bottom-up, by community groups. Typically, instead of the new CSSS coordinating community organizations, the case was that community organizations mobilized their CSSS to participate in their projects, and the CSSSs were “obliged” to collaborate to fulfill their RLS mandates. Existing collaborative networks for different populations and problems at the level of the CLSC districts continued to operate as usual. These did not correspond to the official definition of an RLS, which would have covered the entire, larger CSSS district. But the existing CLSC-level networks nonetheless became identified as RLSs. Moreover, for community organizations throughout the province, the RLS mandate served as leverage: a means of legitimately calling for their CSSS to participate



in the development of new local networks, partnerships, and initiatives that the community organizations themselves proposed. The CSSSs were generally open to cooperating, as this was how they could show they were fulfilling their mandate, and provided the community-based networks with the technical resources and institutional legitimacy they needed to get their intersectoral projects financed and implemented.⁶

The fourth and most recent reform, in 2015, advanced mergers to a far greater extent. The 92 CSSSs were themselves merged into 22 regional service-delivery administrations, called CISSS and CIUSSS, and health and social service management staffing was drastically reduced. In this hospital-centric restructuring of the Quebec health and social-service system, there was no mention of RLSs, so central to the reform adopted just 10 years earlier. The public sector establishments once more turned all their attention and efforts toward their internal reorganization. But this time, local service networks involving community organizations were faced with a chaotic situation, due to the simultaneous departure of more than a thousand health and social-service management personnel. The abandonment of RLSs to their community-based actors meant that these organizations had to scramble to reorganize the delivery of their services on their own, or with new allies (White & Parent, 2017). The work of these local networks, so salient to the health and social-service system up to then, had become invisible to a government concerned only with public sector administrative reform.

Throughout these most recent changes, community organizations have maintained and even strengthened their own organization of organizations. Mobilizing their traditional innovation and networking skills, they have slowly built up new alliances, in which municipalities and philanthropy are playing a larger role than before. Some of the internal boundaries within the third sector, constructed on the basis of different identities, have been blurred, not least by the place-based RLSs and other local community-based networks, such as community development corporations. Indeed, today – five years after the reform – even the provincial government is once again referring to RLSs. They have survived on the basis of the ability of community organizations to maintain their functioning during the exogenous shock of the 2015 reform, and to convince new partners to fill the gaps left by missing health and social-service institutional actors.

While relations between community-based service-delivery organizations and the public sector in Quebec are long-standing, dense, and unique in Canada, they have also been fraught – encompassing both interdependency and autonomy, support and negligence. RLSs survive, but the relationship has not always been negotiated successfully. In order to explore the processes at work, and their consequences, in more depth, I next present three contrasting programs in which the third sector has contributed to innovation in service delivery, in some relation with the public sector or the Quebec government. Each involves a different type of third sector organization: respectively, social enterprise, community action, and foundations.



Homecare for People with Reduced Autonomy

The first homecare policy in Quebec was adopted in 1979. It called for the professionalization of services that had traditionally been provided in the home by volunteers, parish associations, and nonprofits such as the Victorian Order of Nurses. It mandated that public sector CLSCs assume responsibility for their delivery. Grossly underfunded, this policy quickly ran into trouble, but it would not be until 1997 that a completely different approach would be adopted. That year, a program (PEFSAD – Financial Assistance Program for Domestic Help Services) was put in place to finance social economy enterprises and cooperatives for the delivery of non-medical domestic services to people with some loss of autonomy.

These arrangements had been co-constructed by the government and the Chantier de l'économie sociale in the wake of a government-led Socio-Economic Summit held in 1996. Indeed, this summit, intended to create consensus among social partners around the direction of socioeconomic policy, ultimately created a schism between the community movement and the social-economy movement in Quebec. The community movement quit the summit on the grounds of the government's zero-deficit policy, when it refused to simultaneously pledge itself to a zero-improvement policy. The social-economy movement, however, accepted the government's offer of support for social enterprises to fight poverty. Indeed, the premier had announced in his opening speech, "This week, we open the doors to the social economy" (Le Devoir, 1996, as cited in Jenson, 1998, this author's translation).

The summit turned out to be the "birthplace" of the Chantier de l'économie sociale, the principal collective actor behind the development of the social economy in Quebec. The projected potential and promise of government–social economy partnerships was symbolized by the launching of the PEFSAD to fund social enterprises for the provision of domestic services to complement professional homecare offered by the CLSCs. In the five years following the summit, more than 100 enterprises for the delivery of domestic services to people with reduced autonomy had established stable services agreements with CLSCs. But social enterprise – defined as businesses seeking market viability while providing quality employment and pursuing social goals – was an untested framework when this "partnership" was hammered out by representatives of the government and the Chantier de l'économie sociale. Both the processes and results were uneven (Vaillancourt & Aubry, 2003).

The system struggled in the face of chronic underfunding (Vaillancourt & Jetté, 2009; Jetté & Vaillancourt, 2011). In 2004, the list of services that social enterprises in homecare could provide was extended, adding, for example, personal hygiene services that had previously been offered by CLSC staff. Their workload increased, but the program by which they were financed, the PEFSAD, did not follow suit. Service agreements were based on the number of hours of service delivery provided in clients' homes. Clients paid reduced fees to the social enterprise, as determined by their income level, while remaining costs were covered by the PEFSAD. However, the PEFSAD did not compensate social enterprises for overhead: time on the road, coordination, reporting, and administrative work. Moreover, it was not indexed to inflation. Contracts had lost considerable value since 1997, while salaries and other costs were rising. The social enterprises were expected to manage the costs of such risks. Many were reducing the number of hours of



service they provided, in an effort to keep wages at a level that would allow them to retain or recruit staff, for whom working “under the table” was clearly an option. The PEFSAD did not allow for the creation of quality, sustainable employment in homecare services, and the quality of services for the elderly and handicapped eventually declined as well.

In short, while homecare was intended to be a showcase for the social economy in partnership with government, it did not live up to its promise. For a time, some CLSCs had topped up PEFSAD contracts from their own budgets, but this local flexibility is no longer present under the conditions created by the new health and social-service system reform adopted in 2015. These mergers created massive health and social-service administrations, many with well over 10,000 employees scattered over dozens of installations in large catchment areas of up to 500,000 people, in some urban centres, or stretching across vast territories in less urbanized areas of the province.⁷ Implications for the former CLSCs, their partnerships with the third sector in local service networks (RLSs), and the nature and role of social enterprise in the field of homecare were not considered in this reform (Aubry & Bergeron-Vachon, 2017).

The disappointing story of social-economy participation in providing public services is not entirely representative of the development of the social economy in Quebec. Overall, there have been many inspiring success stories, as well as challenges (see Bouchard, 2013). Indeed, the case of social enterprises involved in homecare may well constitute the worst-case scenario for third sector organizations involved in the production of public services in Quebec (Aubry & Bergeron-Vachon, 2017). The 2020 pandemic revealed the effects of years of austerity measures in the health and social-service sector on public nursing homes and residences for the elderly, which accounted for more than 80% of COVID-19 deaths. The government promised to invest heavily in the upgrading of nursing homes and residences, including better training and salaries for attendants. But many argue that similar investments in homecare might be a better policy, or at least an essential, complementary one. The fear is that new investments in services for the oldest, frailest, and sickest elderly will come at the cost of badly needed improvements to homecare and domestic help for those still willing and able to live on their own, despite some reduced autonomy.

Social enterprises providing domestic and hygiene services in the field of homecare are principally the creatures of the PEFSAD framework, not its co-constructors (Jetté & Vaillancourt, 2011). Until recently, they have been relatively unorganized. They represent diverse structures, experiences, and perspectives with respect to their hybrid character. Efforts to create more powerful alliances among them have had little success. For example, many are focused on being businesslike, while others are primarily concerned about achieving their social objectives. Differences between cooperatives and social enterprises, and the divide between metropolitan and regional experiences, have also served to stymie the organization of organizations. Without a united negotiating force at the provincial level, they have had little success in influencing homecare policy and programs. Only in 2017 did they finally create the Cooperation Network of Social Economy Enterprises in Homecare.

Their story is in stark contrast to that of the feminist and community movements in the domain of early childhood education, which we examine in the next section.⁸



Early Childhood Education and Care

One of the most celebrated policy innovations in Quebec is universally available early-childhood education and care. Initially based on a nonprofit model, this policy, adopted in 1997, aimed to provide access to quality educational childcare for all, with a modest co-payment of \$5 a day (\$2 for low-income families). The policy foresaw the establishment of a network of highly professionalized early-childhood education centres (CPEs), regulated and supported almost entirely by public funds and taking the form of a social enterprise or cooperative. Each has its own board of directors, with parent participation. Early-childhood educators were required to be certified, and new college and university programs were authorized for their training. The CPE staff is unionized, and the physical spaces and curricula are regulated. All this contributes to making this policy a relatively expensive public investment – but on par with the average percentage of GDP spent on early-childhood education across OECD countries (Fortin, 2017). More than 20 years later, the cost to parents now lies on a sliding scale from about \$8 to \$25 a day, based on income. The average income for working women in Quebec is just over \$100 per day, making this policy a significant contributor to female labour-market participation in the province: up 13% since 1997, surpassing all other provinces. Although creeping privatization has compromised the quality of care,⁹ evaluations of CPEs themselves are excellent in terms of both parents' satisfaction and child outcomes (Laurin et al., 2015; Commission, 2017). Moreover, the policy has had a strongly positive fiscal impact, when its costs are weighed against tax and transfer benefits to the provincial and federal public purses from increased female labour-market participation (Haeck et al., 2015; Forti, 2017).

The roots of this innovative childcare model lie in the feminist and community movements of the 1970s, seeking to promote women's equality through access to the labour market. The demand for public childcare was prominent in the platform of the Fédération des femmes du Québec (FFQ), and cooperative and community-action-based daycare centres became an important feature of the activist third sector landscape. Thus, by 1994/1995, Quebec already had a larger number of children in daycare than any other province (Bushnick, 2006). Left-of-centre governments in the 1980s and 1990s were sympathetic to these demands during their renewal of family policy. After all, childcare and other work-family conciliation policies would make it possible for more women to get jobs, thus reducing welfare roles and helping to fight poverty through labour-market participation.

The unabated involvement of FFQ and community activism also ensured that the existing foundation, experience, and structures in the third sector would serve as a basis for this new policy. In 1995, they orchestrated a Bread and Roses March on the National Assembly of Quebec, demanding radical measures to end poverty, and women's poverty in particular. The political response was open. It resulted in an invitation to participate as social partners in a significant Socio-Economic Summit planned for 1996, where the early-childhood education and care policy was eventually announced. In the intervening time, representatives of the FFQ and the community-based childcare movements collaborated with both political actors and government "femocrats" in the development and fine-tuning of the policy (Jenson, 1998).

Thus, community-based childcare centres transformed themselves into CPEs. Their staff members were already typically well-trained and well-paid, and the passage was smooth. However, consecutive governments of every stripe never invested the amounts of money it would have



taken to ensure a network of CPEs that could fully respond to the demand. Public pressure made any lengthy moratorium impossible, so to accelerate accessibility while new CPEs were being developed, the program was extended to regulated family childcare settings, under the supervision of a CPE. And more recently, regulated private daycare centres have been made eligible to offer “reduced contribution spaces.” But these alternatives to the nonprofit CPE model have not yet come to account for most of the growth in the availability of subsidized daycare. For example, in 2018, there were close to 1,000 CPEs in the province, and the government was announcing the creation of 5,800 new spaces in poorly served areas, two-thirds of which would be in new CPEs.

Thus, though threatened, the model of high-quality early-childhood education and care, originally developed and proposed by the women’s and community movements, is still the recognized gold standard.¹⁰ But this model has a significant drawback. In the case of CPEs, as in other similar cases,¹¹ there has been a complete institutionalization of what used to be community-based, alternative services – to the extent that the distinction between their official third sector status and that of a public establishment would be difficult to detect. However, if the third sector model is also manifestly challenged by creeping privatization, the aim is not to marketize CPEs, or daycare in general, but to increase subsidized childcare spaces on a shoestring provincial budget.

Private Foundations: From Policy-Makers to Community Enablers?

The level of charitable giving in Quebec, as measured by the *General Social Survey: Giving, Volunteering and Participating*, is consistently and significantly lower than in any other province. When controlling for both income and religiosity, however, this difference disappears (Devlin & Zhao, 2017). Still, there is no doubt that charity is not as highly valued as a strong welfare state. Quebecers expect their government to do more, following continental European rather than Anglo-Saxon models of social action, and are generally willing to pay higher provincial taxes than elsewhere to support it. Even Quebec’s most important private foundation, the Fondation Lucie and André Chagnon (FLAC), has chosen to work through government – and community organizations – to steer its funds toward its preferred social innovation projects.

As one of the wealthiest private (family) foundations in Canada, FLAC is also one of the highest philanthropic spenders on social programs. Between 2007 and 2015, it invested \$540 million in three health-promotion and prevention programs for children and youth: Québec en forme, to promote healthy eating and physical activity; Avenir d’enfants, to support early-childhood development; and Réunir Réussir, to foster school perseverance. These programs were intended to mobilize community organizations to propose and deliver services in structured partnership arrangements and required them to evaluate their processes and outcomes. These investments were made on the condition that the Quebec government provide matching funds. The government eventually contributed \$440 million to these projects designed and administered by FLAC, during a time when its own public health budget averaged approximately \$300 million (Fiset-Laniel et al., 2020).



This is a case in which a foundation was clearly successful in influencing public policy (Phillips, 2018). FLAC criticized government for its compartmentalized programs, its short-term thinking, its aversion to risk, and its lack of investment in evaluation. FLAC's own programs, implemented in its own way, would ostensibly outperform typical government programs. To take Avenir d'enfants as an example, it would target so-called vulnerable families, rather than open services to all families. Funds would be channelled through community organizations, but these would be required to develop workable partnerships and business plans before receiving funds; their service delivery would be evaluated and they would be accountable for the results, but they could also receive support and guidance from FLAC personnel *en route*.

The FLAC projects were highly controversial in Quebec for several reasons. First, there was resistance to the idea that the vision and projects of a private foundation could influence government policy. Advocacy is understood to take place in the public sphere, as an act of participative democracy. The ease with which a wealthy foundation could gain access to government, to win financial support for its proposals, and to sit with the relevant civil servants to hammer out the details, was shocking to the community movement. It had been calling for greater government investments in community action for decades; it was never clear where these new provincial funds were coming from.

Moreover, Quebec already had policies and programs in place for children and youth that had been influenced in part by the expertise concentrated in community organizations serving these populations. A second objection, then, was that the FLAC vision, which targeted vulnerable children and families, or youth "at risk," contradicted the more universalistic approach that community groups, among others, had been promoting within government. Third, contrary to the long-standing *modus operandi* in Quebec, community organizations' associations were not consulted regarding these programs, but were rather "co-opted" by the offer of significant funding for implementing them. From their point of view, FLAC was proposing a "common sense" revolution for effective social policy that included assumptions and misunderstandings about social problems and the nature of service delivery, and community-based service delivery in particular. Finally, there were concerns about the extent of direction and oversight imposed on those that chose to participate in these programs. Consequently, a number of community organizations that were clearly eligible and experienced stayed away.

Ultimately, these experiments in social innovation were not successful. Evidence of inefficiency mounted within a few years. Even the most experienced community organizations were bogged down in their efforts to comply with the construction of complex partnership requirements and to produce demanding business plans. Most organizations believed they were already well positioned to deliver the services with existing partners. Jumping through the hoops was extremely time-consuming for them and significantly delayed the start-up of service delivery. In 2015, in full austerity mode, the government declared a moratorium on its participation in the programs. It cited its inability to actually spend the allocated funding, creating a dead surplus in government coffers earmarked for social expenditures. At the same time, the government was implementing a massive, cost-cutting reform of the health and social-service system.

Since then, FLAC – with other foundations in Quebec – has changed its tune. In contrast to the privileged, one-on-one arrangement between FLAC and the Quebec government around the children's and youth programs, new forms of collaboration have emerged involving multiple foundations, community organizations, and different levels of government. The most startling



move came in 2015, when a group of nine private foundations, including FLAC, published an open letter to the premier of Quebec – widely publicized and commented on in the press – denouncing austerity and its exacerbation of social inequalities. Out of this experience emerged Le Collectif des fondations québécoises contre les inégalités (Quebec Foundations Against Inequalities Collective) (Berthiaume & Lefèvre, 2017).¹² On its website, the collective defines itself as “a working and vigilance network concerned by the role of the state and philanthropy in the fight against inequalities.”

Quebec foundations seem to have been learning from the community organizations that many of them support. The Collectif des fondations represents an organization of organizations, built upon a shared identity, to address issues of common interest and, not least, their relation to government and their operating environment. Most have charitable status with the Canada Revenue Agency, which has until recently severely restricted their advocacy; their actions are therefore of significance across Canada. Aside from advocacy, private foundations in Quebec are now collaborating with public foundations such as United Way Centraide, community organizations, and municipalities by investing in community action projects across the province. One of the most effective programs of this sort has been the Collective Impact Project (PIC) in Montreal, in which FLAC is a significant partner. PIC is an example of the new place-based, intersectoral collaborations developing in the wake of the supposedly defunct local service networks (RLSs).

Conclusion: Resistance through Contentious Collaboration

Third sector participation in service delivery in Quebec is highly institutionalized, but differently so than in other provinces. The reasons for this are in part historical, cultural, and political: the combination of conditions affecting the organization of civil societies is always unique. In Quebec, these include the legacies of a near-monopoly on third sector activity by the Catholic Church until the 1960s; a disinclination to expose the health-and-welfare sector to market forces; and a centralized, high-capacity provincial welfare state, supporting subsidiarity and nurturing civil society allies. The aversion to the market has been challenged by the rise of social enterprise, not to mention increasingly neo-liberal governments. Nevertheless, it remains ensconced in the policy for the recognition and support of community action.

Within this context, third sector service-delivery organizations have actively lobbied to be included not only in program and policy development, but also in negotiating their own operating environment – that is, the rules determining their funding and accountability requirements and the parameters of their autonomy. They accomplish this through their umbrella associations, built upon overlapping sectoral and place-based collaboration among organizations at the local and regional levels and culminating in well-organized provincial-level networks. These umbrella associations are sometimes financed through organizational membership fees. But more often, they receive government grants for their missions to foster, for example, knowledge- and information-sharing, training, partnership development, the mobilization of citizen engagement, and non-partisan political representation, including the publication of briefs,



participation in public hearings, and other lobbying strategies on the behalf of their member organizations and the vulnerable social groups they serve.

In their endeavours, they have been unevenly successful. The entrance of social enterprises on the scene in the 1990s, just as the government was increasingly expecting community organizations to implement its policies and programs, provides a case in point. Excluded from the policy for the recognition and support of community action, at the insistence of the Quebec Network for Autonomous Community Action, social enterprises were left more open to being instrumentalized by government, as illustrated by the case of social enterprises in the field of homecare (D'Amours, 2002). The social-economy movement was capable of promoting social enterprise but was clearly less successful in protecting those enterprises from repercussions for working conditions and service quality flowing from their dependence on public or private sector contracts. This, even in the absence of competitive bidding for contracts.

The strategies of the Chantier de l'économie sociale have focused on building collaboration. It has succeeded in institutionalizing the role of social enterprise in the Quebec service sector. It has initiated and supported the construction of hybrid investment consortiums and instruments with contributions from unions, cooperatives such as the Desjardins Bank, and government. It has contributed to the development of relations with the private sector, for example, in the form of contracts for socially responsible purchases. It has developed partnerships with university researchers that have contributed to the structuring of social-economy hubs of mutual learning and support throughout the province and in the rest of Canada. There has been less organization for resistance within Quebec's social economy, however, and less contentious action as social enterprises, particularly in the area of social services, struggle to survive. In the field of homecare, for example, the market for their services outside government is extremely weak, as they target individuals without the means to access private services. While the PEFSAD was designed to compensate, it has proven woefully inadequate. In this case, the risks of failing to organize and to utilize more contentious strategies to resist exploitation become evident.

Community organizations, in comparison, have collectively named and framed their own identity and agenda and have continuously adopted social-movement strategies to pressure governments to respect these. For thousands of organizations that prioritize autonomous community action, this means they are still able to secure government funding to maintain their advocacy and alternative service-delivery activities, even if they also often sign service agreements to implement government programs in order to bolster their capacity.¹³ But community organizations are also starved for funds in the current era of austerity and increased needs. The entry of private foundations into the mixture of funding opportunities, once resisted, is now looked upon by many of these organizations in a more favourable light. FLAC's foray into partnership with government resulted in many lessons learned: perhaps more so for foundations than for government or community groups. If that first venture proved to be ill-conceived, more recent projects focus on collaborative alliances among public and private foundations and integrate local community-based organizations' experience, knowledge, and autonomy. As the advocacy activities of Le Collectif des fondations québécoises contre les inégalités illustrates, one of the most significant lessons is perhaps that of contentious collaboration.



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Notes

- ¹ Note that “social services” does not include health (e.g. hospital foundations) and education (e.g. university foundations), which are also among the top three areas of investment for both types of foundation but are not involved in service delivery.
- ² All hospitals in Quebec are public establishments, and they typically have significant foundations associated with them. Nursing homes are either public or private; some private nursing homes are affiliated with a public sector establishment. Some public nursing homes are associated with foundations.
- ³ CLSCs, or local community service centres, are small, neighbourhood-based, fully public establishments. For their history, see White (1997).
- ⁴ These administrative units are known as either CISSSs (integrated health and social-service centres) or CIUSSSs (integrated university health and social-service centres), and there are a total of 22, including five in Montreal.
- ⁵ It was entitled an “Act Respecting Local Health and Social Services Network Development Agencies.”
- ⁶ From 2008, almost 50 of these initiatives were documented by the Quebec Observatory of Local Services Networks, until it lost its funding in 2015: <http://www.csss-iugs.ca/initiatives> (in French).
- ⁷ These mergers contributed to the debacle in Quebec’s nursing homes during the COVID-19 pandemic, as employees officially working for one health and social service authority were often moving around between the numerous nursing homes under its responsibility.
- ⁸ The experience in homecare also contrasts with the experience of well-organized community organizations in other domains such as employability development (White, 2012c). This last example bears mentioning because, as in the case of social enterprises in homecare, community organizations in employability development also contribute to the implementation of public programs on the basis of service agreements. They identify themselves in terms of a variety of organizational forms and areas of expertise (e.g. women, youth, immigrants) but, in contrast to those in the homecare field, were well organized in seven different peak associations before entering into the process of co-constructing a partnership with the government. That partnership agreement was five long years in the making. Today, these peak associations continue to influence the development and modification of programs to support people with employment difficulties, on the basis of the specific expertise of each peak association. Indeed, community organizations in employability are represented on Quebec’s Labour Market Partners Board. In comparison, social enterprises in homecare have clearly not yet been able to achieve this level of organization and influence on their operating environment.



- ⁹ First, to keep up with the demand, family care was admitted to be subsidized at the same rate as CPEs.
- ¹⁰ Evaluations of the daycare system note that subsidized family and private daycare is not of the same high quality as that offered by CPEs and does not generally provide the same level of school readiness (Laurin et al., 2015; Commissio, 2017).
- ¹¹ The CLSC is often taken as the prime example of community action institutionalized, and in that case, integrated into the public sector. Another example is the Carrefour jeunesse-emploi, or CJE, which was initiated as a community-based alternative action to promote and support youth employment. There are now approximately 110 of them across Quebec, and although still in the third sector, they operate on the basis of generous service agreements with the government and offer an array of relatively standardized services.
- ¹² Le Collectif des fondations québécoises contre les inégalités. Berthiaume and Lefèvre (2017) note that the language used also changed at this time. Foundations had always talked about poverty, not inequality.
- ¹³ The median organizational mission grant in 2019 was \$92,313 per year, with renewal required every three years (SACAIS, 2020).



Biography

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Deena White is a full professor in the Department of Sociology at the University of Montreal. She specializes in political sociology, and more specifically, social policy implementation, as seen through the challenges of civil society groups involved in implementation. She has critically studied new forms of governance such as service partnerships and networks, their impact on the organization and activities of civil societies, and the ways in which civil society groups organize themselves to maintain their autonomy and critical distance, even while harnessed to government programs.

