

# The Third Sector, the Neo-Liberal State, and Beyond

## Reshaping Contracting and Policy Advocacy

### Chapter Summary

The advent of a neo-liberalist state created the third sector in Canada's democratic society, which includes the non-profit sector, or the social economy and charitable sectors. There are four types of non-profits, which include funding agencies, member-serving organizations, public benefit organizations, and religious organizations. Non-profit organizations have offered social and health programs since the 1800s, but during the Depression and following a Keynesian model that advocated more state intervention, many non-profit agencies developed partnerships with government. Government offered funding to these agencies and in turn, the non-profit agencies complemented the services offered by government. A non-profit organization can offer many services, such as advocacy, mediation, social capital, cohesion, and citizenship.

The authors advocate that neo-liberalism and subsequently new public management (NPM) in government have altered the operation of the non-profit sector. For example, under a NPM model, the scope and size of government's role in society diminishes, with more contract-based partnerships between government and the non-profit sector. These contractual arrangements are competitive, short-term, rigid, and under-funded by the government. They also impose a bureaucratic set of rules and processes for the non-profit sector to adhere to as well as to demanding that more social programming be offered to the state's citizens. These administrative changes in the management of non-profits and this alternative service delivery (ASD) model in government rendered a demand for changes in government which has introduced a new public governance (NPG) model.

Under the NPG model, the non-profit sector has become increasingly involved in the advocacy and engagement of policy alternatives in the public policy process. However, this level of involvement is determined by the capacity of a non-profit to effectively inform and contribute to the

political decision-making. The evidence discussed by the author suggests that only several prominent non-profit agencies contribute to the policy process in Canada, and that neo-liberal policies and practices still dominate Canadian public administration.

## Annotated Weblinks

- 1) [http://www.strategis.gc.ca/eic/site/cd-dgc.nsf/eng/h\\_cs03925.html](http://www.strategis.gc.ca/eic/site/cd-dgc.nsf/eng/h_cs03925.html)

A government of Canada site that outlines the legal and financial obligations of a federal not-for-profit agency that includes the incorporation and financial duties and responsibilities.

- 2) <http://www.statcan.gc.ca/pub/13-015-x/2009000/sect05-eng.htm>

A Statistics Canada report on Canada's non-profit sector in macro-economic terms defines and describes the economic impact that non-profit agencies have on the social well-being of citizens.

- 3) <https://www.canada.ca/en/revenue-agency/services/charities-giving/giving-charity-information-donors/about-registered-charities/what-difference-between-a-registered-charity-a-non-profit-organization.html>

A Government of Canada site that identifies and defines the differences between a registered charity and a non-profit organization, specifically addressing the purpose, registration, tax implications, designations and personal benefits to its respective members.

- 4) <https://www.corporationcentre.ca/docen/home/faq.asp?id=incnp>

This Corporation Center website is a private (non-government) site that outlines the many procedures for non-profit agencies in Canada, specifically addressing what defines a non-profit, the related fees in all jurisdictions across Canada, and the aspect of incorporating a non-profit agency or organization. It also outlines the process for claiming a charitable status.