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The Project-Funding Regime: Complications for Community Organizations and their Staff *

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The project-funding regime: Complications for community organizations and their staff

Abstract: Various levels of government contract-out the provision of public services such as health and education to community organizations, which have traditionally received core funding for these services. In recent years, however, with the adoption of neoliberal policies and New Public Management ideals, Canadian federal and provincial governments have increasingly off-loaded the provision of social services to community organizations through a project-funding regime. Community organizations and their workers now find themselves facing new challenges created by this new funding regime. This article explores the ways in which the daily lives of these workers have been organized and influenced by project-funding regime procedures and rules, which benefit the state but create hardships for workers. This analysis draws on staff interviews and focus group data collected from three community organizations in three provinces across Canada. The qualitative analytic approach includes both a thematic analysis and the identification of practices that benefit the institution but complicate worker activities, as identified by the Psycho-Social Ethnography of the Common-Place method, which borrows from Institutional Ethnography. Through the analysis of procedures of increased accountability, short-term funding, hiring on contract, use of information and communication technologies, and forced partnerships, the authors delineate the ways in which a neoliberalized ruling system benefits and manages staff activities while complicating the lives of the workers. Recommendations and responses to this situation are discussed.

In Canada, social services to the public are delivered through a mix of state and non-profit initiatives, with the federal and provincial governments often contracting community organizations. Community organizations perform four key functions in society: serving the community; providing public education and advocacy; mediating to bring individuals together to work on common concerns; and providing government services to citizens.¹ Their mandates not only include delivering social, health or community services to the general public but also to special populations in need.

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The government plays a major role in funding the activities carried out by these organizations. In the past, governments provided “core-funding” in return for services; now, these organizations typically only receive funding for certain projects. This new funding environment has been coined the “project-funding regime.”² There are three key distinctions between *core*-funding and *project*-based funding.³ The first is that core-funding allows organizations to cover their basic administrative and organizational costs, in addition to covering the costs of programs, whereas project-funding is project-specific. The second is that core-funding allows flexibility and autonomy on the part of the organization, whereas project-funding allots more control to the funder over the content of projects. The third distinction is that core-funding is sustained, whereas project-funding is short-term and not secure. According to Paul Leduc Browne, “From a bureaucratic point of view, the service contract is a vehicle for increasing government control over non-profit associations.”⁴

The roots of the new project-funding regime, and the off-loading of social services from governments onto community organizations, have been associated with conservative political movements (i.e., neoliberalism / neoconservatism, terms that are often used interchangeably). Neoliberalism has been defined as “classical liberalism, rejecting social rights, social citizenship and the welfare state.”⁵

In this article, we use the term “neoliberalism” to refer to an underlying system of governance ideals and values, woven, in varying degrees, throughout various branches and levels of government (e.g., municipal, provincial and federal), that exerts control over the way contracted community organizations will provide and deliver services.

Neoliberal philosophy advocates for the provision of services within a capitalist framework and promotes the idea of privatization. This means that the provision of public services often involves the private sector, since the neoliberalized state does not engage in much service delivery itself. In addition, the neoliberalized state provides less funding to social services, often requiring that clients pay some of the fees. Lastly, if the neoliberalized state continues to provide and fund services, it tends to organize and manage them like a private enterprise. The change towards neoliberal policy in our society means that responsibility for social services is shifted onto individuals and communities. This shift is called “off-loading.”⁶

Consequences of the new project-funding regime extend to the organization, their workers, clients, their families, and the communities.⁷ For example, organizations are limited in the number of clients they can serve, and there are growing waiting lists and staff layoffs, decreased numbers of volunteers, and increased staff burnout. Other additional consequences are that organizations need to be more accountable to this neoliberalized governance system, often at the expense of being accountable to the community. Furthermore, organizations can allot fewer resources to trying to influence policy and promote activism, since funding for projects is often directed by the agenda of the neoliberalized state or other funders. Lastly, in being pushed towards a capitalist model of service delivery, these organizations often have to adopt a fee-for-service model, which means they cannot provide services to the community’s most vulnerable populations as liberally as before.

Within the Canadian context, certain political platforms (e.g., the Conservatives, the Social Credit Party) have been associated with neoliberalist ideals. Off-loading has swept across the provinces through changes in federal government policies over the past two decades and has taken a particular turn since 2000, with the implementation of an accountability regime.

Susan Philips and Karine Levasseur have described how, during the 1980s and 1990s, the process of governing in Canada was one influenced by the ideals of “New Public Management”

(NPM), which relied on contracting-out of services and government control.⁸ Certain factors influenced the move towards NPM: first, government budgets that did not and could not purportedly continue to spend as much money as before on social services were cut; second, the public lacked confidence in public services; and, third, the idea that government policies are no longer entirely domestic matters but have instead far-reaching implications beyond our national economy.⁹ Contracting between the state and community organizations for the provision of social services to the public became very prevalent. It was a means of lowering the costs of public services, reducing the size of the state, avoiding public-sector unions, improving efficiency, and enabling governments to manage results via a hierarchical system of governance. However, many of the policies associated with the project-funding regime, such as hiring employees on contract, mainly benefit the state funder and create difficulties that affect many other aspects of the organization's mandate.

In 2000, the general public was made aware of a "crisis" in one federal department due to the poor internal auditing of certain project files from grant programs.¹⁰ The government reacted swiftly to restore its image and engaged in damage control by increasing its accountability measures over contribution agreements. With the shift towards results-based management accountability requirements, the organizations that deliver programs are now required to collect quantitatively measured outcomes. As a result, for community organizations, increased accountability measures means that employees require new skills, or they need to be trained. For example, the Canadian Council on Social Development, which had a tradition of hiring social workers and activists who had begun their careers in grassroots organizations, is now increasingly hiring professional researchers, who may not have those necessary links to the community.¹¹

Our article takes a slightly different perspective from previous ethnographic research on the work experiences of frontline public servants¹² and focuses instead on the experiences of community organization workers in the provision of services. Sheila Neysmith, Kate Bezanson and Anne O'Connell conducted a study of how various social policy changes in the last decade have benefited but also complicated the lives of different members of Canadian society.¹³ By examining how various policies intersect with individual worker's various roles and identities to shape their daily experiences, Neysmith et al. were better able to comprehend the implications and experiences related to social policy. Following this approach, we too begin from the perspective of the workers and the organizations to understand more effectively how the neoliberalized governance system benefits through the procedures of the new funding regime and how this complicates matters for those being ruled.

Philips and Levasseur explored the impact of the accountability "regime," on the relationships between post-2000 governments and community organizations.¹⁴ They conducted extensive fieldwork with staff from the voluntary sector and with public servants. Among their findings was the key point that community organizations are not opposed to accountability and even understand its function, but it is how accountability is being measured and exercised by government that leads to complications for the organizations. Philips and Levasseur identified major consequences related to the accountability regime: the organizations were required to engage in more detailed reporting to meet the increased accountability measures imposed on them by the state; the organizations were less likely to take risks with new projects – they were more likely to try to tailor services to what the funders would see as appropriate rather than what the organization may have actually thought its clients needed; and, due to delays in the approval

process for funding, the organizations often experienced problems with cash-flow and in carrying out projects.

Ted Richmond and John Shields have documented additional negative consequences that come from obstacles created by the project-funding regime.¹⁵ For example, they also found that new accountability requirements are very burdensome on staff, and the organization often drifts from its original mission, operations become commercialized, and the autonomy of the organization is compromised. In the new project-funding regime, employees often find themselves having to develop new skills, do more work than before on grant writing and administrative tasks that are no longer funded, cope with increased workloads, attempt to develop and maintain various projects, and deal with various other distracting problems.

A report by the Community Social Planning Council of Toronto described the experiences of various community organizations in the context of the project-funding regime.¹⁶ In their sample, eighty-five per cent of funding was program-specific, short-term funding, with the majority of that funding coming from various levels of government. Programs were underfunded at approximately fourteen per cent, and community organization workers' salaries and employment benefits were also negatively affected. This situation then, leaves little choice: either the organizations provide no services to the community, or they provide services within the context of not being fully reimbursed. Because their jobs are identified with helping people, workers feel societal and personal pressure to actually donate their time, beyond their scheduled work day, if they still have tasks to accomplish.¹⁷ Individuals in these positions may often feel that career advancement relies on working for free.¹⁸

Our study found several of the concerns also raised by Philips and Levasseur, as well as new and related themes, including forced partnerships, contract hirings, and the use of information and communications technologies. These NPM-based mechanisms typically benefit the government funders but add burdens to the daily activities of workers in community organizations. In this article, we look at the impact of the changes associated with the project-funding regime on workers, as well as on the organization as a whole. Identifying these problems can go some way towards creating solutions that may ameliorate the current unpredictability of delivering social services.

Methodology

The data analysed for this article was collected as part of a larger research project, entitled "Community Intermediaries Research Project," and involved fieldwork conducted in four community organizations in four different provinces.¹⁹ Only the data from three organizations, in Manitoba, Ontario and Newfoundland and Labrador, were analysed for this article. These three organizations provide a wide range of services, such as skills-training, informal education, job placement, community development, and employment resources, to the public and to populations with special needs. The data consist of twenty-five staff interviews and three staff focus groups. A wide range of staff roles was included: directors, managers, outreach workers, project coordinators, and frontline staff. A mixed-methods analytical approach was employed. First, a thematic analysis of the data was conducted using NVivo software, identifying five key themes that are NPM mechanisms: increased accountability; contract hirings; forced partnerships; short-term funding; and the use of information and communication technologies. Quotes from the interviews are included here to illustrate these themes. Next, we engaged with the data in a critical way to identify practices that benefited and served the policy needs of New Public Management, as employed by the neoliberal ruling system.

Isolating the practices that benefit institutions but create complications for workers is called the “identification of organizational moments,” and this is a procedure employed by the Psycho-Social Ethnography of the Common-Place (PSEC) methodology.²⁰ This methodology is well-suited to analysing the effects of institutions, since it is heavily based on Institutional Ethnography. However, it goes a step beyond the original application of Institutional Ethnography into the operationalization and identification of the specific practices that are classified as “organizational moments.”

Since PSEC is heavily influenced by Institutional Ethnography, a brief review of this approach follows. Institutional Ethnography explores and analyses the sociological problems created by institutions.²¹ It tries to understand the everyday experiences (e.g., grant writing) of the individuals whose lives are shaped and influenced by these ruling institutions and then proceeds to map out social relations to identify ruling relations. Dorothy Smith defines institutions as a “complex of relations forming part of the ruling apparatus, organized around a distinctive function.”²²

Government funders represent the neoliberalized governance system, and the goal of this study is to show how the “ruling relations” that organize daily activities benefit funders yet create problems for the ruled organization and its workers. Institutional Ethnography takes the standpoint of “those being ruled,” the community organization and its workers, collectively.²³ According to Eric Mykhalovskiy and Liza McCoy, Institutional Ethnography starts “with the actualities of people’s daily lives and seeks to explore how those actualities are brought into being through coordinated sequences of activity.”²⁴ This is also consistent with Standpoint Epistemology. This theoretical approach offers a different “truth” as to the real nature of the structural relations characterizing an institution and how these shape the experiences of those ruled within it.²⁵ In our study, learning about the daily experiences of those working in community organizations reveals the true reality of the way in which government funders, as the institution, order, manage and rule the details of workers’ lives. These two subgroups – the organization as a whole and the workers within it – experience various complications, to varying degrees, but our study will address only the common problems they face when the state exerts its ruling through the project-funding regime. Why, for example, is the community organization worker putting in volunteer time to complete a grant application?

Analysis and discussion of results

Increased accountability

Government funders impose accountability requirements on community organizations in order to meet New Public Management requirements that justify service delivery. Accountability requirements benefit the institution by managing the activities of the organization and its workers while appearing accountable to the public for quality service delivery.

Project-funding regime procedures require more accountability from community organizations through such means as regular reporting schedules (e.g., monthly reports) and the measurement of outcomes to justify the efficacy of projects. The increase in accountability creates a heavy burden on workers. In meeting these requirements, workers must collect and measure their projects’ “outcomes,” a task that can be challenging, for various reasons. For example, it is often difficult to define and measure the necessary constructs and changes when resources, both financial and technological, are lacking. Furthermore, because funding is not sustained and very unpredictable, workers who continually write reports and funding proposals

need advanced specialized report-writing and administrative skills, which are sometimes lacking in frontline service workers.

A major impact of increased accountability to funders is that workers are not able to spend as much time with clients. Workers are expected to deliver the project, measure and collect its outcomes, and write reports on the project. Workers are no longer able to devote most of their time to their clients because of the considerable time spent engaged in administrative tasks to satisfy funders. In addition, the relationships formed between clients and workers are vulnerable to disruption, due to high staff turnover rates, and the lack of sustained funding for both staff salaries and programs. The clients are often disadvantaged individuals in need of social support, but, due to the project-funding regime, the programs offered to them are often temporary, unreliable, delivered by staff under stress, and susceptible to changes in the state's funding agenda. These consequences extend to the communities within which the clients live, because the organizations delivering essential social services cannot operate to their full capability. In sum, the project-funding regime contributes to a dysfunctional social service environment for Canadians.

Increased reporting requirements

Over the past few years, the frequency and number of accountability reports that need to be written and submitted to funders has increased considerably. Although this has increased the workload for workers, levels of project-funding have not increased accordingly. Increasing reporting requirements allows government funders to ensure that services off-loaded to community organization are actually provided. However, this increase in reporting does not benefit the organization, which is instead burdened with an exponential increase in administrative tasks. For their part, government funders appear to manage and deliver social service in an effective, monetarily justifiable manner. The following comment illustrates the frustration and difficulties associated with increases in accountability and reporting requirements:

There are so many different funding sources, even for small programs with different financial years and different reporting requirements. So, even on one project you may have one funder that requires six monthly reports. Some may be quarterly reports, end-of-year reports. So, you have far too many piddly reports to write for fairly small projects or programs, and there is nobody to delegate anything to. The staff can do a certain amount, but all the staff here is dedicated frontline staff [who provide] particular projects and programs. So, there is no central kind of admin support staff.

Measurement of outcomes

Funders usually require that funded projects have measurable outcomes. Accordingly, organizations are often required to track clients and keep records of outcomes to justify the success of projects and ensure continued funding. The collection of outcomes allows the organization to demonstrate to the funder what changes are taking place and allows the funder, in turn, to justify to the general public where funds are being allocated and why. Increased emphasis on collecting outcomes means less time spent on its core mandate of providing services for clients. However, collecting outcomes to show that a project is fulfilling its mandate is not the problem; instead, complications arise when the time burden of collecting these outcomes grows too heavy:

Collecting outcomes is very difficult. People are obviously more occupied providing services than counting the number of services that they provided. Then not even having a secretary or somebody to answer the phone makes it rather difficult to do very much of anything.

This comment by a project staff member illustrates how a lack of human resources in the context of the project-funding regime makes it difficult to fulfill the obligations of collecting and measuring outcomes.

Report-writing skills

With core-funding no longer typically provided and organizations rarely able to afford administrative personnel, frontline workers find they need to engage in more administrative tasks than ever before. The need for frontline workers to be continually applying for funds is another example of engaging the workers in New Public Management procedures that complicate their working lives.

Preparing and writing reports requires both administrative and language expertise. Project workers must first clearly understand what is being asked of them and then prepare and write a report that meets the requirements of the funders. Failure to do so may result in suspension of funding. The increase in report-writing adds a new dimension to community organizations. Prior to project-funding, workers were primarily focused on frontline work, but, with these new requirements, new staff positions must be created or original staff must be trained to prepare the required reports. Project workers who may be well suited to carry out project tasks may not possess report-writing skills, as the following quote attests:

There are things like evaluations definitely built in there, accountability, making sure people know how to prepare the final report, quarterly reports, and it is a lot more pressure for a non-profit association because they just don't have the expertise on staff.

Short-term, unsustained funding

Short-term, unsustained funding benefits government funders because it supports concrete, independent projects. The three community organizations we studied faced the difficult realities of financial problems, aggravated by short-term, unsustained funding arrangements. As core-funding becomes scarce, organizations must find different ways in which to meet the organizational and operational costs not covered by project-funding. In addition, since project-funding is only short-term, applications for funding must be made several times a year, which can result in funding delays. Consequently, it is not uncommon for an organization to have the dual problem of sustaining its programs and paying its employees. Sometimes, funding for a project will not arrive in time for the start of the project, yet the funder expects the project to be carried out regardless and for the organization to resolve cash-flow problems on its own.

Cash-flow problems

Short-term project-funding creates cash-flow problems that make it difficult for organizations to sustain programs. Programs suffer when administrators are so concerned with trying to find funding that they are not able to concentrate on delivering services. Cash-flow problems are very frustrating for workers, who find it hard to comprehend why their program and their employer are constantly threatened, despite contributions to clients and community:

It always seems like, at one time or another, there is always some program in jeopardy. ... Everybody is scrambling to try and get funding, and I think that cuts into your productivity. If your mind is set on just trying to stay alive, how are you going to do the job now?

The funding for this program – they basically have to bite their nails every six months and scrap for it.

This organization has been here since 1981, and we are constantly struggling to keep our doors open, and the question is, why? I just don't understand, because we've really done a lot of great things, and I just don't understand why somebody is not saying, "Look we should invest in these kinds of organizations."

These three comments demonstrate how community organization workers are constantly aware of the instability of their funding environment and note the negative consequences for service delivery, productivity and morale.

Difficulty meeting payroll

The financial consequences of the project-funding regime extend to workers in very real ways. Organizations sometimes have difficulty paying employees when funds are lacking or have not been received. Employees must sometimes forego a pay cheque, yet they are expected to continue performing their duties. One employee we interviewed went without a pay cheque for an extended period of time while the organization waited for funds to be released:

Because we are project-based and the organization only has a certain amount of monies in their budget, I have gone up to two months and not seen a pay cheque. I have had to wait for government funding to come in before we get paid, and Sarah has been in the same situation.

Frustrating grant proposal procedures

Project-funding is short-term and unsustainable. Community organizations and their administrative staff (when they can afford to have any) find themselves perpetually applying for more funds in order to finance programs and pay staff. Constant grant-writing requires considerable time and effort, and the success rate of proposals is not high:

We write probably twenty-five to thirty-five grants every year for all sorts of things. So, if we find a fund – that could be a pharmaceutical company, it could be anything – if we think we can get money, we'll try and make the time and write the grants. Of course, the return on the investment is poor. The best year we had, we did about twenty-two per cent. This year, I would say we would probably do about fifteen per cent return on proposals ... it's not good.

The constant grant-writing is time-consuming, and it is very stressful because you don't know whether you are going to be successful or not. So, you can project a budget for the forthcoming year, present it to your board, but to a large degree it is speculative. You are putting in grants that you think you are going to get. For instance, they [Canadian government department] have told us starting dates for our projects are April 1st and we are no way near starting on April 1st. We are negotiating one grant, and it has been since 2003, and we are still negotiating the grant. The proposal was successful, we are negotiating the grant. It's a very unstable environment.

As the quotes illustrate, continually having to apply for funds and not knowing whether proposals will be approved is quite stressful and destabilizing. Organizations and their workers are required to maintain services knowing that, in this project-funding regime, there is no guarantee of what will happen once funds run out. In the first quote, the interviewee discusses how, despite the many grant proposals submitted to funders, only a select few will be approved.

In the second quote, the reality is that, even when a grant proposal is accepted, funds may not come right away, yet the project is expected to start on time, otherwise the organization will be penalized.

The following comment demonstrates how a community organization worker sees the constant grant-writing process as a burden and waste of time:

Everything is project, time-limited, one year or whatever projects and then you are going through the hoops applying for grants and sometimes making the impression it's now a new project, its just a few little changes, it's ridiculous and no core. So, it ends up like a donut with all these little projects with a hollow core.

When organizations seek out funding for a project that has already exists they often have to justify re-application for funding and attempt to demonstrate that the project has new aspects, despite having administered the service or program in the same way for the past few decades.

Hiring on contract

Project-funded organizations typically hire staff on short-term contracts, because of the lack of guarantee of continued funding. Compensation is usually low, and there is high staff turnover. Because projects are short-term, salary increases rare and job security scarce, employees often find themselves looking for a new job as soon as their contract starts. This section explores how contract-hirings, as a result of the project-funding regime, benefit the government funding agencies but confound workers' lives in tangible ways. Workers commit more time than they are actually paid for just to deliver the required services. They often find that their workloads have increased but that their benefits and salaries do not reflect their extra efforts. Government funders, however, are able to have services provided to the public, using these intermediary community organizations, despite the fact that contracted workers are not adequately compensated or provided with a stable working environment. Not providing enough financial support to cover salaries is an advantage to the state because it saves financial resources.

Salary concerns

Community organization workers experience heavier work loads without appropriate compensation, partly because funders may not approve wage increases in project budgets. Individuals may be hired for a certain number of months, or years, but, while under contract for a specific project, his or her salary may not increase. According to the Donative-Labour Hypothesis, individuals in "helping" careers entered their chosen field because they want to do something for the social good, and so their enjoyment of the job stems not from financial remuneration but from the pleasure of helping others.²⁶

Government funders take advantage of contracting-out social services to community organizations and their staff, because they recognize that such workers are dedicated to providing social services to the public, even if operating funds are not present. If more services need to be provided, many of these dedicated workers are known to make sacrifices in order to keep a project alive. These situations place community workers in vulnerable positions, since funders can take advantage of the altruistic aspect of their profession:

I think we can't be just downloaded when there is a hundred thousand people [in the] bureaucracy, and then there is us few little community people ... to try to keep the lid on all the social problems that are going on in this country. I think it is reprehensible, it is repugnant to think that – like, I connect to housing bureaucrats, you know, and they [have] receptionists and secretaries and researchers and this and that and

policy people. So, we sit around, there is me and ten of them. They are all telling me, “Well, this is the policy implemented.” Meanwhile, I have no pension, I have no benefits, and look at all of them.

This quote demonstrates worker frustration at the unfair position in which community organizations are put, where they are expected to deliver high-quality services to the public while at the same time conforming to government accountability standards and poor worker compensation.

Lack of salary increases

The salaries that we pay are not competitive, because in most cases the ministries do not augment the salary rates. The Ministry of Health, for instance, gave us our first increase, a three-per-cent increase this year, the first increase that we have had in twelve years.

The only way that you can [give] pay increases is to decrease the number of staff. As you decrease the number of staff, you decrease the number of services. Then the ministry gets to a point that they say that you are not allowed to decrease the number of staff, so you are basically flat-lining. So, you say to the staff that you are going to work for the same amount of money, like [it] or not, that is all we can do. Hence, you [community organization] end up looking for money from other sources.

These quotes illustrate two key points: first, community organization workers rarely receive raises, despite increases in workloads; and, second, community organizations are left with no choice but to look elsewhere for resources when funders require more service delivery without compensatory changes to the funding formula. Often, the only way a community organization can increase workers’ salaries is to cut back on the number of staff positions. Government funders will allow employee cutbacks, but only to the point where public services are not compromised. The overall impact on service workers is that they are underpaid as well as overworked:

It has been six years since I have had a salary increase, not even a cost-of-living increase. It seems that the local offices, for whatever reason, think that they don’t need to do that. They get the services provided, and if I don’t do it somebody else will do it. ... Our employer, they do what they can do. They make representation when they do up the proposal at the end of each year for next year’s contract. They have been writing in salary increases each year but the [federal government department] has been saying no. It has been very frustrating. Everything else seems to be going up except our salary. Our accountability targets have gone up. Our stats have gone up. Our salary remains the same, and they expect more for less.

These comments show awareness of increased demands with no proportionate increase in salary. The worker also notes the reality that contract project-funding has increased competition among the voluntary sector – the NPM positioning of social services within the market model.²⁷ This worker is also aware that the organization is committed to salary increases and makes regular requests to funders on the behalf of workers.

Lack of job security

The situation of community workers is precarious. Those who enter the field of social service work primarily out of an interest to help the population that they will be serving and to help others struggle with the demands of administering programs with limited funds. The public could also suffer, because, as the following quote shows, these contract workers are not only stressed and frustrated with their careers, but, having to consider future careers the moment they begin a contract and recognize their lack of job security, they also experience even lower levels of commitment to their job:

Corporation loyalty is difficult when you have only got a year's contract and know you may be on the street, so it causes some problems for sure.

It is difficult to retain staff in [a] project-based funding [environment]. So, we will hire staff but will only be in a position to give them a one-year contract; so, literally the day they start their contract they are already looking for another job.

Working over and above logged hours

Individuals in positions of organizing and directing activities in community organizations are in a particular bind: they are the ones who are held accountable and looked up to for direction. At the same time, government funders also look to these individuals to ensure that programs are being carried out based on the fee-for-service contract agreements. These individuals are expected to carry out their responsibilities with inadequate funding, and, in order to get paid, they must divide their time and resources among many projects. However, what gets divided up on paper is not as easily translated into reality, and these individuals put in many hours above and beyond what they are compensated for financially:

Shana takes on a lead looking after the organization, but it is more done on a volunteer capacity than anything else, because she is paid under different contracts to do different things. So her time is above and beyond ...you just can't do everything you need to under your regular program that you should do in a forty-hour period.

This kind of behaviour within the organization not only reflects commitment to work but, when required, the necessity of working above and beyond regular paid hours – if that is what it takes – to get the task completed. Again, the government funders succeed in sustaining delivery of services through unpaid and volunteer labour.

Using information and communication technologies

Neoliberal governance requires efficient and timely information flows and therefore requires its data be in digital format. Digital data can be transmitted or shared instantly, reproduced inexpensively, and reformatted easily for a myriad of purposes, from creating reports and spreadsheets to updating web sites and program statistics. It would be impossible for the modern neoliberalized state to function effectively without digital data. Computers are necessary for creating, accessing and reading digital data, and computer networks such as the Internet and other broadband networks are prerequisites for transmitting and sharing digital data across distances. Community organizations depend on computers and computer networks, but while they are of enormous benefit, our research found that when organizations are compelled to use and transmit digital data through the latest computer networks, complications for both organization and workers can arise, especially when combined with serious funding shortages.

Requiring levels of computer infrastructure the organizations cannot support

Many staff members interviewed prefer face-to-face rather than e-mail contact with their community members. This preference is related in part to the nature of social services work. People are attracted to the social service professions for the opportunity to engage personally with people. As well, academic training for social workers focuses on people skills rather than technical skills, with the result that many social services workers are unfamiliar or uncomfortable with computers and e-mail. As one described,

There aren't a lot organizations or coalitions or associations, committees whatever, that we would [communicate with] strictly vis-à-vis in a technological way. It is usually face-to-face or over the telephone. So, there is not a lot [of e-mail use for networking], and I think that is because most people in social services don't have a lot of technology background.

Stipulations imposed on organizations by the funders to use computers to create and access digital data is onerous for the organizations because they do not have the funds for adequate computer hardware, software and maintenance. Using the Internet is expensive for these organizations when the costs of computer upgrades, network maintenance and staff training are factored in. The three organizations studied have insufficient operational revenues. In this environment, the organizations have many urgent spending priorities other than information and communication technologies, and this has led to a situation where all three have inadequate capacity to use computers and the Internet.

For example, one of the organizations studied experiences significant difficulties related to computer hardware, software and networks. Its computers were acquired through donations or private foundation grants and are old and incapable of running newer versions of basic software. Computer crashes are common, and, some days, the computers are down and nobody knows why. The organization lacks capital funds for computer equipment and has no central server. In order to upgrade its computer systems, the organization first needs to upgrade its electrical power supply, which would be prohibitively expensive. Not all staff members have computer and Internet access at work, so the organization cannot use e-mail to communicate with its entire staff. The organization's computer and Internet problems cause considerable stress, because the organization does not have computer support staff. It tried using volunteers from the private sector for computer support, but the process was unreliable and slow. The organization has no administrative support staff, so all computer and Internet problems must be dealt with by the co-directors or program staff. It cannot find sustained funding for computer support, ongoing maintenance, and hardware and software upgrades. The organization's web site was set up by student volunteers from a local college. However, because of a shortage of human resources, keeping the web site updated has been a problem, as the following quote attests:

Our website, it is horribly out of date. ... There was a staff person who was, let's call it, web-friendly. But this person was laid off due to lack of funding, so now there is nobody within the organization's staff that has the time and technical skill to do this.

In a second example, another organizations studied also has inadequate computer hardware and software. Its digital telephone system is also inadequate, and it is difficult, sometimes impossible, to reach staff by phone. Its computer network was not operational at the time of the fieldwork, and it has only one printer. It has no internal e-mail system, and not all staff members have an e-mail address. The organization's computers lack software for anything other than basic operations, and staff members often compile reports on their home computers. One staff member explained that his computer is unreliable after having been permeated with a virus he does not know how to remove:

It has been better in the last couple of weeks, but I don't rely on it – I can't rely on it. It's like having a shovel where the handle keeps twisting off. You use it because you have to, but you don't want to undertake anything really big with it because if it fails on you you've got nothing.

Making funding and program documents available only on the Internet

One feature of the change from printed to digital information is that documents are now routinely available only in digital format. The neoliberalized state creates many of the necessary documents in digital format only, and community organizations must download these documents from the Internet. One of the organizations in our study provides services in a large area that serves many small, remote and rural communities. Similar to many rural communities across Canada, the Internet infrastructure in this area is poor and Internet speeds are slow. Using the Internet is a challenge for this organization because it ties up a telephone line, and, as one staff member described, using the Internet to download documents means she cannot receive phone calls during this time:

I tried to download government files before. I had to step away from the computer for an hour to let them download. That's ... an hour of your workday.

Requiring clients to access government services on-line

Although Canadians in general have high rates of Internet access, inequalities persist among different socio-economic groups. Many of the clients served by community organizations do not have computer and Internet access at home. If they are required to access government services on-line, they will need access to a computer and the Internet, and, in some cases, access to assistance to find and use on-line government services. Community organizations in many cases are filling that gap. A staff member in one of the organizations described the difficulty for clients attempting to complete on-line applications for Employment Insurance (EI) in an area without high-speed Internet:

Right now, there is no such thing as completing an application form to apply for EI anymore, everything has to be done on-line and with the service out in [one of their satellite offices], clients have gone in there and they have been trying to complete their application forms and there have been some of them who have been booted off the Internet probably a half dozen times before they could get the process completed. ... There have been some [that] ... just couldn't do it all, and they just had to give up and walk out. So, it is causing a big problem in that area.

Many of the clients of another organization studied do not know how to type and use a keyboard, and they need considerable support to use computers. Although the organization has neither the funds nor the staff for client computer support and training, staff members try to make the time to provide ICT support for clients. For clients with cognitive difficulties, learning computer skills requires a systematic approach, which takes time. Staff members try to introduce the client to the technology slowly, on a step-by-step basis. The time required for staff to support client use of computers and Internet is a further pressure on already-stretched resources.

Requiring digitized accountability information

Neoliberalized governance imposes on the community organizations the need to collect and evaluate program outcomes by using digital databases. The databases are complex software programs often demanding computer infrastructure and staff skills beyond the organization's capacity. For example, as in the quote below, the software necessary to collect program outcomes is deemed by staff to be complex and unreliable:

[Our] database is just a nightmare. There [are] glitches in it. It sounds silly, but, quite often, with the Ministry of Health, I have to paper back-up everything because I am terrified that it is going to [get] lost. Because we have had that problem, where a virus got in and it basically just dumped everything and – just

silly things – you don't know why, but it kicks people out of the database. I will put someone in and then two weeks later it's like, "Oh, Hilary isn't in there anymore." It is like, ok, we will just put her back in again, we don't really question why because it is just the database, it kind of sucks, and that is just the way. You just kind of go on with it because we know we just don't have the money to upgrade it.

Staff computer-training the organization cannot afford

As discussed earlier, staff turnover is a challenge for the three organizations. None of the organizations has a staff-training policy in place. In one organization, some staff members are proficient with computers, while others have only very basic computer skills. One individual said that it is faster to write a letter by hand. An ongoing challenge related to staff computer and Internet training is the lack of funds to replace a staff member in training, with the result that staff members are expected to undertake training while also doing their jobs. In another organization, some staff members are proficient in ICT, but others have never received computer training, and some don't have basic computer skills, and believe it is faster to write a letter by hand. One staff member described the training situation:

There has really been no training. I am sure everybody is using Word differently from one another. We're not kind of learning from each other and improving the effectiveness, the efficiency [in the] way we use those tools. Others, like Excel or the use of the Internet, everybody is just doing their own thing, so there has never been any kind of sitting down, exchange of ideas, any training courses, and so on.

Forced partnerships

Encouragement by government funders for community organizations to collaborate with other community organizations and institutions has become more stringent with the onset of the project-funding regime. Funders would like to lend their support to strong projects that have key stakeholder involvement. They believe that partnerships are the best way to connect all interested parties and for delivering public services, because the potential then exists for these public services to become entirely off-loaded to a project partner. With the implementation of New Public Management, governments look for opportunities to divest themselves of their responsibilities of delivering services to citizens; the requirement for partnerships for service-delivery projects is one way of realizing this objective. Federal funders tend to impose partnership requirements on community organizations. However, resources (both time and financial) are involved in forging partnerships, but funding is not allotted for this purpose. Community organizations must comply and attempt to create and maintain partnerships with few resources for the sake of continued funding. A proposal for which considerable resources were expended developing partnerships may not be successful. Furthermore, competing with each other over scarce funds and for the same partners exacerbates the tense working atmospheres already found community organizations. When community organizations are required to partner with academic institutions, they sometimes find that the two bodies have different goals.

Struggling to develop partnerships

Partnerships are encouraged and often mandatory before funding for projects can be received. However, community organizations find themselves increasingly in a competitive environment, where all community organizations are competing for the same scarce funds and the same partners. This environment is not conducive to the process of establishing and maintaining partnerships. To begin with, partnerships are costly to develop, both in terms of financial resources and time. We can see this illustrated below:

One of the problems with partnerships, and this is one of the things that particularly the funders don't realize, is you don't just make a partnership with somebody and then say, "Ok, we'll see you in six months." Partnerships have to be developed and nurtured. To do that, if you have four or five partnerships going, while trying to provide your core services, can be a real challenge. So, again, it is just one more demand that is placed on organizations that no funding is provided for. But I don't want to understate the importance of them.

The high staff turnover rates within community organizations make the development of partnerships particularly difficult. One of the pitfalls of contract hiring is high worker turnover, and so when committees and partnerships are formed between two or more organizations, the partners frequently have to acquaint new members with the project. This lack of "corporate memory" makes it difficult to make progress in a partnership. This quote addresses this issue:

Our health collation meetings will grow, shrink, grow, shrink, as people get laid off and especially with short-term funding, where somebody will be brought in for a year and then the contract is over, the funding wasn't renewed, move on. That has hurt our agency.

The following quote is indicative of a worker's struggle between trying to maintain the various projects and performing duties, while realizing the importance of fostering partnerships. It illustrates the wide variety of tasks that one individual may be carrying out and the various types of responsibilities that fall on the worker, ranging from networking and securing funding, to housekeeping:

I haven't had time yet to really network with other organizations and resident groups in the neighborhood and also with funders and so on. ... Veronica is the only other administrative person there is. So, in my position you kind of do everything, including like changing the towels and be the receptionist, because all the phone calls come now through to me.

Paper partnerships

Funders rarely compensate an organization for its efforts in creating and maintaining partnerships. When applying for funding, an organization often needs to prove it has made contact with and built strong, appropriate partnerships. This places community organizations in a difficult, Catch-22 situation. They and those organizations with which they are trying to establish a partnership may be dubious about making too much of a commitment to the partnership at the proposal stage, but they also know that a project proposal may be rejected if the organization does not form the kind of partnerships that will satisfy its funders. One solution is to create "paper partnerships," as described below.

We have quite a few partnerships actually. Part of that is because a lot of the funders demand it. So, if you are going to submit a grant for instance to [federal government department] you have to have partners. Now the irony is that a lot of these partnerships are paper partnerships. An agency calls you up and says, "We are putting in a grant for such and such, will you partner with us?" Until the money comes through the partnership nobody thinks about [the partnership] again. Then hopefully you try and make it work.

Competition for scarce funds and partners

In addition to the difficulties associated with the resources needed to develop and maintain partnerships for a project that may or may not obtain funding, organizations are in competition with each other over funding and partners, further complicating the situation. Because project-funding is not sustained, directors find themselves constantly applying for more funding in a

climate of steep competition among organizations for limited funding. This comment illustrates this situation:

We have lost a lot of our core funding in the last five years, and so we have been forced to compete with private-sector competitors, as well as compete against some of the not-for-profits that we otherwise probably would have partnered with. So, we have had to spend a lot of our resources, trying to leverage new partnerships and new finances and new money.

Coping mechanisms

We do not wish to imply by our focus of analysis that the community organization itself, or its workers, have absolutely no power or control over the situation. Most individuals interviewed for this study were aware of the complications of the switch to the project-funding regime and were employing strategies to adapt to these changes. They posited some suggestions for ways forward.

Our analysis clearly shows that staff was discouraged with the challenges and consequences of the project-funding regime. Staff expressed frustration with the expectations forced on them by government and other funders and with how financial resources awarded do not reflect increases in workload (e.g., administrative tasks) associated with the new funding regime. Phillips and Levasseur state that the “accountability regime” has resulted in a “loss of trust” between community organizations and the state, and we also found this feeling expressed by workers.²⁸ For some, disgruntlement has led to activism. One organization participating in this study is educating its staff, board of directors and clients on the realities of project-funding. This organization produced a report documenting the challenges of project-funding and how it plans to respond to them.

Conclusions

We conducted a thematic and critical analysis of staff interviews and focus group data in three community-based organizations in three Canadian provinces to see how various processes inherent in the New Public Management’s project-funding regime serve to benefit the neoliberalized state while complicating the daily activities of community organizations and their staff. Our findings on the impact of project-funding on accountability support earlier findings by Phillips and Levasseur.²⁹ Significant similarities were also found among these three organizations in their experiences with short-term funding, hiring on contract, forced partnerships, and the use of information and communication technologies.

While the state benefits from the project-funding regime, community organizations, their staff, and their clients and families – those who are supposed to benefit from social services – are negatively affected. The inevitable outcome of this regime is a stressed-out social service environment, where organizations continue to attempt to provide adequate services while being underfunded. The state is seen to be more accountable in its provision of services to the public because it has increased its reporting requirements for the community organizations it has contracted to deliver services. In addition, the state is relieved of the burden of covering organizational and operational costs of running an organization. Furthermore, since project-funding is short-term, the state is not required to offer pay increases or full benefits to project staff. Meanwhile, contracted community organizations are left to deal with a myriad of challenges, including difficulties meeting payroll and high staff turnover rates. Community organizations are left with little choice but to succumb to the expectations placed on them by the state’s project-funding regime and to meet the funder’s requirements. Given that the funding

available is not sustained, organizations are in a constant struggle “to keep their heads above water.”

Project-funding leads to significant complications for staff. Workers lack job security, receive low salaries, and no pay increases. With the change to project-funding, staff job descriptions have changed significantly. Workers are now required to write so many more reports and grant proposals that writing skills are now viewed as a necessary asset for the job. With the neoliberalized state’s movement towards the use of information and communication technologies, workers are also required to have a certain level of technological skill. However, the technology available to these workers is often not up to date or efficient, due to a lack of organizational and administrative funding. In attempting to meet new and increased demands, staff often works over and above their logged hours in order to meet funders’ expectations for service delivery. Workers must also cope with the new challenges that have emerged out of the project-funding regime, such as partnering with other organizations that also have high staff turnover rates, coping with the highly competitive environment among community organizations, and struggling to develop partnerships with institutions that may not share the same goals and interests.

This study suggests certain ways forward to help resolve the inherent inequality of the project-funding regime. For a start, an environment of respect, between the state and community organizations needs to be cultivated. The state needs to recognize and properly value the work performed by community organizations. Furthermore, activism in the form of public education must emphasize that high-quality service delivery requires sufficient resources and that unsustained funding that does not cover basic operating costs creates unhealthy stress for organizations and their workers. In partnerships between community organizations and the state, each contributing member needs to be treated as an equal. Lastly, the state should consider the idea of *sustained* funding for community organizations, in order to support them in their mandates.

Future research should focus on possible coping mechanisms for organizations and their staff. In addition, the various ways in which community organizations and their staff could resist the project-funding regime and change the dynamic of the relationship into a more egalitarian one should be explored. Activism is required to make the general public and the state more aware of the negative effects of the project-funding regime, so that together the organizations and state can work towards a more equal and respectful environment for delivering social services to Canadians

Notes

- 1 Bryan Mitchell Evans and John Shields, “The third sector: Neo-liberal restructuring, governance, and the remaking of state-civil society relationships,” *Centre of Excellence for Research on Immigration and Settlement* 18 (May 2005), pp.1—10.
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- 4 Paul Leduc Browne, *Love in a Cold World? The Voluntary Sector in the Age of Cuts* (Ottawa: Canadian Centre for Policy Alternatives, 1996), p. 49.

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- 5 Paul Leduc Browne and David Welch, "In the shadow of the market: Ontario's social economy in the age of neo-liberalism," in Yves Vaillancourt and Louise Tremblay, eds., *Social Economy: Health and Welfare in Four Canadian Provinces* (Halifax: Fernwood Publishing, 2002), pp. 101—34, quote at p. 109.
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 - 28 Phillips and Levasseur, "The snakes and ladders of accountability," CANADIAN PUBLIC ADMINISTRATION.
 - 29 Ibid.
