

# EXPLORING THE HEALTH, STRENGTH, AND IMPACT OF CANADA'S CIVIL SOCIETY

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Canadian Centre for Philanthropy™

*Le Centre canadien de philanthropie* MC

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## Executive Summary

Civil society organizations (CSOs) play an important role in Canada's economy and communities through their involvement in a range of public benefits. Approximately 175,000 CSOs in Canada provide community and social services; organize cultural, educational and recreational activities; and lobby for social, political and economic change. However, the ability to assess and evaluate the contribution of civil society has been hampered, to a considerable degree, by the absence of appropriate measures and adequate baseline data.

The Canadian Centre for Philanthropy, in association with CIVICUS: World Alliance for Citizen Participation, conducted a research project to begin to assess the health and character of civil society in Canada. Using a targeted opinion survey of key civil society informants (key informants) and drawing on existing data, this research explored four dimensions of Canada's civil society:

- (1) the *structure* of civil society;
- (2) the *legal, political and socio-cultural space* that civil society occupies within the regulatory, legal and social environment;
- (3) the *values* that civil society represents and advocates; and,
- (4) the *impact* of civil society on social and community well-being.

The key findings are outlined below.

### Structure of Canada's Civil Society

*Civic Participation.* By participating in civil society activities, Canadians play a central role in building vibrant communities and providing services to citizens. Indeed, the contribution of volunteers is a key factor in the ability of CSOs to do their work. About 1 in 3 (31%) of Canadians volunteer their time, and more than 50% of Canadians participate as a member in at least one group or organization (Hall, Knighton, Reed, Bussière, McRae & Bowen, 1998).

*Building Alliances and Coalitions.* There are a number of umbrella and networking organizations in Canada that aim to enhance the quality and vitality of civil society organizations. By building alliances, umbrella organizations could help CSOs foster social and community well-being, especially in areas where there are complementary aims and objectives. However, more than half of the key informants (57%) surveyed feel that umbrella organizations do not have the capacity to represent the interests of members. They are also divided on CSOs' ability to build alliances and collaborate with citizens and other organizations.

*Private Sector Support.* Canadian business leaders agree almost unanimously that corporations have a significant role to play in helping communities (Canadian Centre for Philanthropy, 2001a). The majority of key civil society informants (69%), however, disagree that the private



sector has integrated support for civil society into corporate strategies. Sixty-five percent do not agree that the private sector co-operates with CSOs.

*Funding Sources.* In 1993, individuals donated \$8.2 billion to registered charities, accounting for 9.5% of charities' total revenue. Corporate donations amounted to \$1.2 billion and only accounted for 1% of revenues. For charities, the government is the single most important source of revenue, accounting for \$ 48.8 billion (56%) of the revenues (Sharpe, 1994).

## **Legal and Political Space of Canada's Civil Society**

*Regulatory Environment.* The way in which CSOs are regulated and taxed can make a difference to their ability to affect social and community well-being. A significant number of key civil society informants believe that the existing tax regime is a burden on the sector and plays a minimal role in guiding or supporting the sector. Only 32% of key informants surveyed believe that the existing tax system encourages the development of CSOs, and only 45% believe it encourages individuals and businesses to donate to CSOs. Seventy-six percent of key informants believe existing tax laws and regulations make it difficult for CSOs to engage in advocacy activities.

*Government – Civil Society Partnerships and Co-operation.* If civil society is to have a real effect on government decisions, CSOs must have access to the executive and legislative levels of governments. There are approximately 300 joint initiatives between the federal government and the voluntary sector involving 34 federal departments and agencies (Privy Council Office, 2001). Despite these initiatives, most key informants believe governments have not put in place appropriate mechanisms and channels to give CSOs access to government departments and agencies (68%), or to political representatives (78%). Sixty-two percent also believe that CSOs lack the capacity (i.e., the human resources, knowledge, etc.) for effective interaction with government.

*Promoting Civic Participation and Recognition.* Research findings indicate that Canadians have a strong sense of civic participation. Almost one-third of key informants believes that the public support for civil society organizations has increased.

## **Values of Canada's Civil Society**

*Equity Rights, the Environment and Sustainable Development.* Much is expected of CSOs in their efforts to deal with social justice and social inclusion, and to promote equity rights. The majority of key informants believe CSOs are frequently active in initiatives that promote human rights (65%), gender equity (57%), the environment and sustainable development (58%) and social justice (66%). Less than half of respondents (49%) believe, however, that CSOs are as active in initiatives promoting cultural diversity, despite Canada's cultural and linguistic diversity.

*Transparency and Accountability.* Regardless of the scope of their activity, CSOs are first and foremost self-governing. While a high level of transparency and accountability exists in civil

society organizations, only 47% of key informants surveyed believe CSOs have adopted codes of conduct that would enhance transparency and accountability.

*Participation and Governance.* Although the ways in which CSOs govern themselves differ considerably, CSOs in Canada are internally democratic and have relatively strong relations with their constituents and stakeholders. Sixty-eight percent of key informants believe CSOs involve constituents, stakeholders and volunteers in planning, designing, implementing processes.

## **Impact of Canada's Civil Society**

*Civil Society's Impact on Public Policy.* If CSOs are to help improve social and community well-being, they need to figure prominently on the policy agenda. Although governments have used consultations to gather input into policy-making, survey results suggest that they have not adequately reached out to CSOs. The majority of key informants (63%) believe CSOs are not successful in putting the interests of their constituents on the policy agenda. The vast majority (90%) feels governments do not frequently co-operate with CSOs when implementing social policies and programs.

*Responsiveness of Civil Society Organizations.* Changing government roles, increasingly diverse populations, and new political, economic and social realities have required CSOs to broaden and adapt their programs and services. The majority of key informants (69%) believe CSOs have the capacity to identify new needs and demands arising from their constituents, and 63% feel that they are able to deliver them using innovative means.

*Effectiveness of Civil Society Organizations.* To achieve community and social well-being, it is important that people have the capacity to engage in civic life. Ninety-five percent of key informants surveyed believe that CSOs foster attitudes that lead to higher levels of civic engagement. Ninety-five percent find that CSOs also enhance the capacity of their constituents to participate in improving social and community well-being. The majority of key informants (78%) believe CSOs are more capable than the state or the private sector of adding more value to programs and services.

## **Part 1: Introduction**

Canada's civil society has become a legitimate partner with the state and the market in a democratic system of governance. Locally, nationally and globally, Canadian civil society organizations play pivotal roles in political, social and economic life, including making and implementing public policy, and promoting and defending citizen interests. One example of global leadership is the "Ottawa Treaty." This treaty, the Convention on the Prohibition of the Use, Stockpiling, Production and Transfer of Anti-Personnel Mines and on Their Destruction, was ratified by 121 countries and entered into force on March 1, 1999, after a dynamic and intensive international lobby campaign led by many Canadian civil society organizations.

Approximately 175,000 organizations in Canada are identified as nonprofits, charities, or other voluntary groups (Quarter, 1992). Given the growing role and responsibility of civil society, measuring and documenting its strength, health and impact as a legitimate public actor have become increasingly important. However, the ability of governments and individuals to assess the contribution of civil society has been hampered to a considerable degree, by the absence of adequate baseline data and appropriate assessment measures. The CIVICUS Index on Civil Society addresses this by providing systematic and user-friendly information on the state of civil society in Canada. The project's findings offer a basic description of civil society along a number of dimensions. This can be used as an assessment tool for policymakers and civil society representatives.

The CIVICUS Index on Civil Society project is an international initiative co-ordinated by CIVICUS: World Alliance for Citizen Participation.<sup>1</sup> The current pilot phase includes 14 countries.<sup>2</sup> The project design and goals were developed by CIVICUS based on consultations with civil society stakeholders in approximately 40 countries and feedback from an international Project Advisory Group consisting of over 40 distinguished civil society practitioners and researchers.

This report is based primarily on data gathered from a targeted opinion survey of key civil society informants (key informants) in Canada. It provides a preliminary overview of the strength, health and impact of civil society in Canada. The survey data is supplemented by quantitative and qualitative data gathered from a number of existing data sources, such as national surveys (e.g., the National Survey of Giving, Volunteering and Participating 1997), case studies, etc. Although this report is exploratory, information presented here will nonetheless be crucial for civil society stakeholders to develop a vision for a stronger civil society in Canada, and mechanisms for achieving it. The information gathered through the Index on Civil Society

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<sup>1</sup> The methodological approach, analytic framework, methodology, combination of target indicators, objectives herein described were developed for CIVICUS by Helmut Anheier of the Centre for Civil Society, London School of Economics. For a detailed description of the CIVICUS Index on Civil Society project, see CIVICUS (2001).

<sup>2</sup> The following countries are in the pilot phase: Belarus, Canada, Croatia, Estonia, Ghana, Mexico, New Zealand, Pakistan, Philippines, Romania, Scotland, South Africa, Ukraine and Uruguay.

may be particularly useful for organizations and individuals involved in initiatives for setting the agenda and developing strategies to strengthen the capacity of Canada's civil society. It may also contribute to improving the state of civil society in other countries by sharing our past experiences and present realities.

In most countries, the CIVICUS Index on Civil Society project is a research initiative linked to developing an advocacy agenda to strengthen civil society. Thus, the CIVICUS Index project also involves an assessment workshop with civil society stakeholders to discuss the implications of the research and to develop an agenda aimed at taking steps to increase the health of civil society. The Canadian Centre for Philanthropy focused on the research component of the project since the health of Canada's civil society is being addressed by several on-going initiatives. For example, the Voluntary Sector Initiative (VSI), a joint undertaking of the voluntary sector and the Government of Canada, seeks to strengthen the capacity of the voluntary sector and to enhance the relationship between the voluntary sector and the Government of Canada (Voluntary Sector Initiative, 2001). In addition, a Private/Voluntary Sector Forum organized by the Canadian Centre for Philanthropy's Imagine Program, is working to develop a new framework for collaboration and partnership between the private sector and the voluntary sector in building community capacity (Canadian Centre for Philanthropy, 2001b).

## **Methodology of the Study**

The purpose of this study was to explore the health and strength of civil society in Canada. To do so, this study explored four dimensions of Canada's civil society that capture civil society's basic facets:

- (1) the *structure* of civil society;
- (2) the *legal, political and socio-cultural space* that civil society occupies within the regulatory, legal and social environment;
- (3) the *values* that civil society represents and advocates; and,
- (4) the *impact* of civil society on social and community well-being.

Underpinning this strategy is the idea that several indicators are possible within each dimension and across different levels of measurement. A two-pronged strategy was used to assess civil society in Canada across these four dimensions: a review of existing data, and a targeted opinion survey. Existing quantitative data may validate and/or illustrate data gathered from the opinion survey. The review of existing data included primary data sources, such as national surveys (e.g., the National Survey of Giving, Volunteering and Participating 1997) and secondary data sources, such as quantitative and qualitative studies on civil society.

To develop the questionnaire for the targeted survey of key civil society informants, the Canadian Centre for Philanthropy interviewed 16 key informants, representing civil society practitioners and researchers. These interviews were conducted to select indicators relevant to assessing Canada's civil society. To maintain a reasonable balance between contextual validity

and comparability of the findings, fifty percent of the indicators are ‘universal indicators’ and are being used by all countries participating in the project. The remaining indicators are specific to Canada (see Appendix 1 for a complete list of indicators).

Through a questionnaire entitled *Civil Society in Canada* (CSC), the Canadian Centre for Philanthropy surveyed 200 key civil society informants representing 15 civil society sub-sectors, academics/researchers, businesses, and governments across Canada. To obtain valid and reliable responses, individuals who were likely to be familiar with the characteristics of the civil society sector as a whole were contacted. Most were top executives of civil society organizations (i.e., CEOs, Presidents or Executive Directors). The Centre also contacted senior government and private sector officials, and researchers/academics who interact with CSOs. Of the 200 contacted across Canada, 104 (52%) replied (See Table 1).

**Table 1. Number of Survey Respondents by Sector**

<b>Sector</b>	<b>Number of Respondents</b>	<b>Percent</b>
Civil Society	90	86.5
Other (i.e., government agency, private sector company & researcher/academics)	14	13.5
Total	104	100

## **Limitations of the Report**

This report presents data derived from a preliminary exploration of Canada’s civil society. It does not provide an exhaustive analysis and has some limitations. First, the research findings are based on a targeted survey of a relatively small sample of CSOs (approximately 90 respondents) in Canada. Consequently, views of certain sub-sectors may not be adequately represented. Second, the majority of CSC survey respondents represented CSOs. Therefore, the views of other stakeholders – businesses, governments, and academics – may not be complete or exhaustive. Third, the survey was designed to gather opinions and other subjective experiences of key informants. Because variables are not measured quantitatively, responses are often a matter of interpretation and may raise reliability concerns. For example, some answers may depend on the position of the respondent within the organization (i.e., executive director vs. volunteer board member). Fourth, resources, both human and financial, and time limitations constrained the scope of the study. Civil society in Canada is vast, complex and in constant flux. A comprehensive analysis of its status would require a more extensive project than the current study.

## **Outline of the Report**

Following this brief introduction, Part Two of the report explains the major tasks carried out in implementing the CIVICUS Index on Civil Society project in Canada. Part Three uses a four-dimensional approach to graphically map the status of civil society in Canada. Each dimension illustrates the averaged score of the indicators used to measure it (see Appendix 1 for a complete list of indicators). The resulting diamond-shaped representation of Canada's civil society along the four dimensions provides interpretations of strengths and weaknesses of civil society. Each of the sections in Part Three deals with a different aspect of civil society: the structure of Canada's civil society; the legal, political and socio-cultural space that Canada's civil society occupies within the regulatory, legal and socio-cultural environment; the values and norms that Canada's civil society represents and advocates; and the contributions of Canada's civil society to social and community well-being. Part Four of the report presents some concluding remarks.

## **Part 2: The Civicus Index on Civil Society: Project Implementation in Canada**

Civil society organizations (CSOs) play an important role in Canada's economy and communities through their involvement in a range of public benefits. Approximately 175,000 CSOs in Canada provide community and social services; organize cultural, educational and recreational activities; and lobby for social, political and economic change. However, the ability to assess the contribution of civil society has been hampered, to a considerable degree, by the absence of appropriate measures and adequate baseline data. This information is key to the future development of civil society. Thus, the Canadian Centre for Philanthropy, in association with CIVICUS: World Alliance for Citizen Participation, embarked on the CIVICUS Index on Civil Society project to begin to fill this gap.

The CIVICUS Index on Civil Society project was carried out in Canada from January to May 2001. The project involved two key aspects:

- (1) With the help of key civil society informants, the project identified indicators or measures for assessing the health, strength, and impact of Canada's civil society.
- (2) Using a targeted survey, the project assessed key informants' views on how civil society performs on these indicators or measures.

The focus of this research project is civil society in Canada. Consequently, all observations, analyses and interpretations are at the national level. The unit of analysis of this study – the entity about which the research gathers information – is the individual key civil society informant. The CIVICUS Index on Civil Society project was implemented in Canada in three stages. A brief description of each stage of the research project is outlined below.

### **Scanning Existing Data on Canada's Civil Society**

A considerable amount of quantitative and qualitative data (e.g., national surveys, case studies, etc.) on Canada's civil society is already available. A review of these data sources provides a useful narrative of Canada's civil society. For example, existing data sources such as National Survey of Giving, Volunteering and Participating 1997 (NSGVP) provides baseline information on charitable giving, volunteering and civic participation. Canada Customs and Revenue Agency (CCRA) databases have information on the number of charitable organizations in Canada and their sectoral and regional distribution. Thus, in January/February 2001, the Canadian Centre for Philanthropy took stock of and reviewed these and other data sources.

### **Indicator Selection**

In February/March 2001, the Canadian Centre for Philanthropy conducted a series of key informant interviews via telephone to select indicators that would be vital to measuring the

strength, health and impact of Canada's civil society. These indicators formed the basis for designing the survey. A small group of key informants, consisting of 16 key civil society practitioners and researchers representing diverse backgrounds, was selected based on their knowledge of civil society in Canada. They were interviewed to determine the extent to which CSOs agree on what would need to be measured to assess Canada's civil society. They were given the opportunity to comment on a series of indicators and to suggest additional indicators that could be useful in assessing Canada's civil society.

The Centre then selected a number of indicators relevant to Canada's civil society. The following criteria were used to ensure indicators' relevance:

- (1) *Significant*, i.e., indicators point to relevant aspects of the dimensions of civil society in Canada;
- (2) *Analytically sound*, i.e., indicators are clearly defined and understood;
- (3) *Measurable and available*, i.e., indicators meet reasonable requirements in terms of data quality and coverage;
- (4) *Objective and communicable*, i.e., indicators are independent – in their actual meaning – of data collectors and interested parties; and
- (5) *Fruitful*, i.e., indicators allow nuanced discussions on the state of civil society in Canada.

To maintain a reasonable balance between contextual validity and comparability of the findings, fifty percent of the indicators are 'universal indicators' and are being used by all countries participating in the project. The remaining indicators are specifically relevant to the Canadian context.

## **Stakeholder Survey**

In April 2001, the Canadian Centre for Philanthropy conducted a targeted survey of key civil society informants. Through a questionnaire entitled *Civil Society in Canada* (CSC), the research sought to gather their views on sixty-three indicators, each dealing with a different element of Canada's civil society (for a complete list of indicators, see Appendix 1). The survey explored four dimensions of Canada's civil society:

- (1) the *structure* of civil society;
- (2) the *legal, political and socio-cultural space* that civil society occupies within the regulatory, legal and social environment;
- (3) the *values* that civil society represents and advocates; and,
- (4) the impact of civil society to social and community well-being.

The results of the survey provide a snapshot of Canada's civil society, as mapped in Figure 1.



Key informants included members of CSOs as well as other individuals with a stake in civil society (i.e., business people, government officials, academics, etc.). The survey was conducted by mail in April/May 2001. Surveys were sent to 200 Canadian key informants representing 15 civil society sub-sectors, academics/researchers, journalists, businesses, and governments. The sample was selected from Canadian Centre for Philanthropy members, the Directory of Associations in Canada, the Canadian Directory to Foundations & Grants, and IMAGINE Caring Companies. Of the 200 key civil society informants contacted across Canada, 104 (52%) replied.

As mentioned previously, the CIVICUS Index on Civil Society project was to culminate in an assessment workshop with civil society stakeholders to discuss the implications of the research and to develop an agenda for future civil society activities. During the current pilot phase of the project, the Canadian Centre for Philanthropy focused on the research component of the project only. The information gathered through the Index on Civil Society project may be particularly useful for organizations and individuals involved in on-going initiatives for setting the agenda and developing strategies to strengthen the capacity of Canada's civil society. The Canadian Centre for Philanthropy plans to disseminate the findings to its members, civil society stakeholders and other interested parties via [www.NonprofitsCan.org](http://www.NonprofitsCan.org), as well as reports and articles published by the Centre.

## Part 3: Canada's Civil Society: A Snap Shot

The CIVICUS Index on Civil Society explores four dimensions of Canada's civil society:

- (1) the *structure* of civil society;
- (2) the *legal, political and socio-cultural space* that civil society occupies within the regulatory, legal and social environment;
- (3) the *values* that civil society represents and advocates; and,
- (4) the *impact* of civil society on social and community well-being.

To assess these dimensions, the CIVICUS Index on Civil Society uses 63 indicators, each measuring a different aspect of civil society (see Appendix 1 for a complete list of indicators). The four-dimensional approach of the “Civil Society Diamond Tool” maps the assessment of indicators.<sup>3</sup> An averaged score for each dimension is projected into a common metric – from 0 to 100. In this calculation, all indicators are assumed to carry the same weight. A score of 0 in the structure dimension, for instance, may mean that the particular society is extremely poor in terms of organizational infrastructure – the size of the membership base, umbrella/networking organizations and alliances, and resources civil society commands. By contrast, a score of 100 may mean an optimal level, with a very strong structure.

The status of Canadian civil society at the national level is graphically portrayed in Figure 1. The asymmetrical diamond indicates a civil society that is somewhat skewed towards values and impact. In general terms, Figure 1 could be interpreted as follows:

- The *structure* of Canada's civil society scores 55 out of 100. This indicates a medium size structure in terms of the membership base, the umbrella/networking organizations and alliances, and the resources that civil society commands. This relatively modest score reflects shortcomings in areas of building alliances and coalitions, private sector support for civil society, and the financial sustainability of CSOs.
- The *legal, political and socio-cultural space* that Canadian civil society occupies also scores 55 out of 100. This indicates that Canada's civil society operates in a moderately enabling legal and political environment. This relatively modest rating reflects concerns in the areas of the regulatory environment and government-civil society partnerships.
- The *values* that Canada's civil society represents and advocates score 67 out of 100. This indicates that the values and norms that Canada's civil society represents and promotes are conducive to community and social well-being. This relatively strong score reflects Canadian civil society's commitment to promoting equity rights, the environment and sustainable development, both in Canada and abroad, as well as transparency and governance of CSOs.

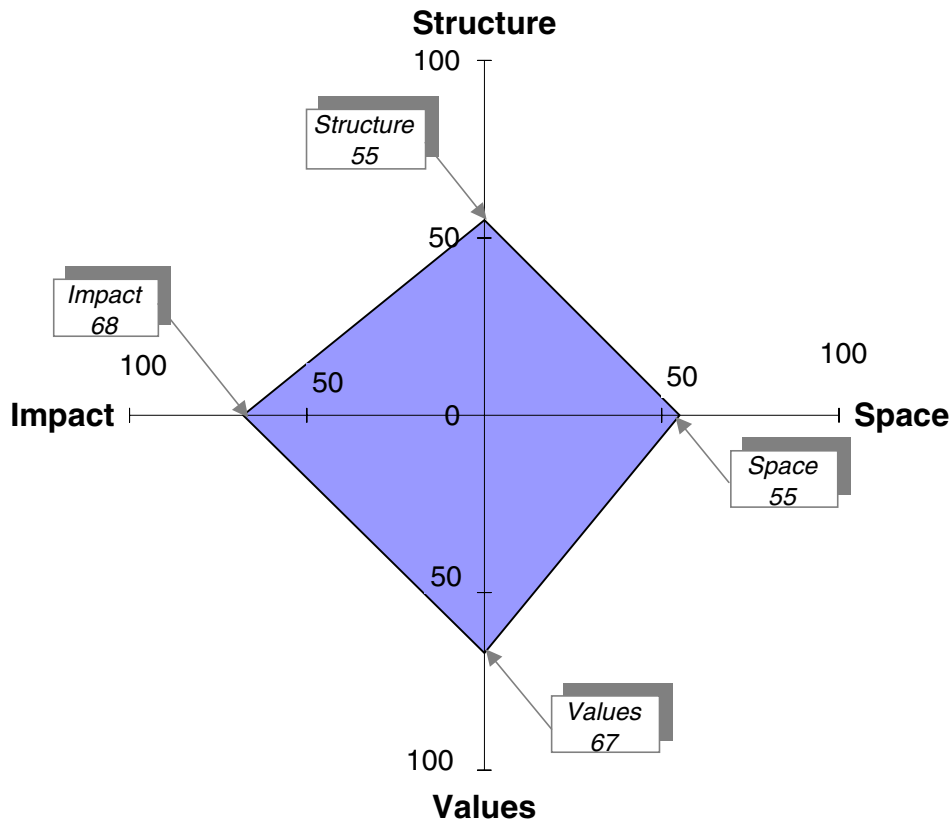
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<sup>3</sup> For a detailed description of “Civil Society Diamond Tool”, see Anheier (2000).

- The *impact* of Canada's civil society on social and community well-being scores relatively higher than the other dimensions, 68 out of 100. This indicates that CSOs in Canada contribute significantly to social and community well-being.

By using these scores, it is possible to aggregate four dimensions into one common figure that can be used to compare or rank Canada's status with other countries in the CIVICUS Index on Civil Society project. Canada has a score of 55 in structure, 55 in space, 67 in values, and 68 in impact, for a combined score of 245 (61%) out of a possible total of 400. The shaded area in Figure 1 graphically represents this total score.

**Figure 1. Status of Canada's Civil Society**



Each dimension presents the averaged score of the indicators used to measure that dimension. Consequently, variations within dimensions are not captured in the graph. For example, in terms of *impact* on social and community well-being, civil society may have had marginal success in influencing public policy, but may have been very strong in responsiveness and effectiveness. These differences are not captured in the mean score represented in the diamond. The following sections address these differences in more detail.

## The Structure of Canada's Civil Society

### **Some Facts About Structure**

- Approximately 31% Canadians did some kind of volunteer work through an organization in 1997.<sup>†</sup>
- The civil society sector in Canada consists of approximately 175,000 organizations:<sup>‡</sup> slightly more than 78,000 of these are registered charities.<sup>\*</sup>
- The majority of registered charities (74%) are located in urban areas; the remaining 26% is located in rural areas. Forty percent of registered charities are faith-based organizations.<sup>\*</sup>
- Charities raise 30% more money from individuals than from government, foundation grants and corporate donations. Government grants are over twice as large as foundation grants and corporate donations. Charities in Ontario receive the largest percentage of all types of grants and donation revenues.<sup>§</sup>
- Forty one percent of Canadians believe that political participation is essential; another 43% believe it is very important.

<sup>†</sup>Source: Hall et al., (1998).

<sup>‡</sup>Source: Quarter (1992).

<sup>\*</sup>Source: CCRA Database.

<sup>§</sup>Source: Hall (1996).

<sup>±</sup>Source: Elections Canada (2001).

This section addresses:

- *The organizational nature of civil society.* The following indicators were used to assess this aspect: active membership base; diversity of constituents; volunteer staff; paid staff; and distribution across regions.
- *The component parts of civil society.* The following indicators were used to assess this aspect: nature and capacity of umbrella organizations; alliances with citizens; alliances with other organizations; collaboration across sub-sectors; government co-operation; and private sector co-operation and strategies.
- *The resources that CSOs command.* The following indicators were used to assess this aspect: sources of funding, and financial sustainability.

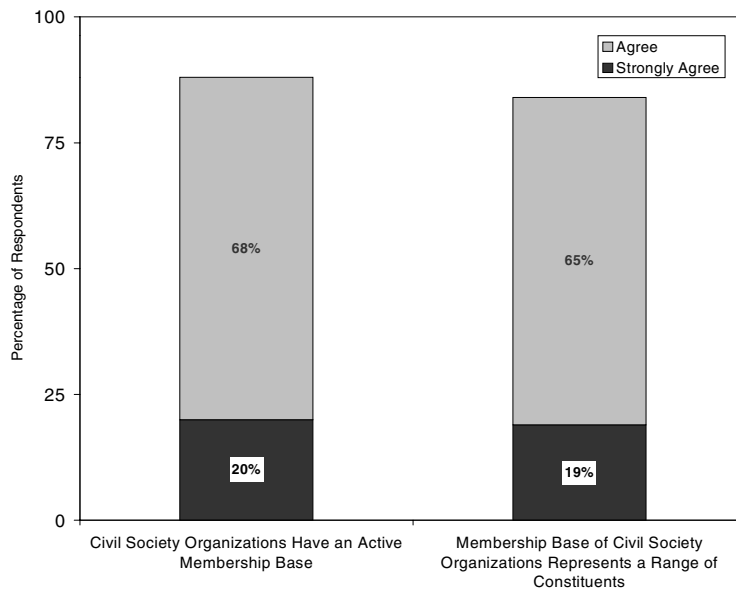
The analysis focuses primarily on the results of *Civil Society in Canada* (CSC) survey. It also incorporates data from other sources (e.g., national surveys such as NSGVP, databases, etc.) to illustrate and/or validate data from the CSC survey.

### Civic Engagement

The contribution of volunteers is a key factor in the ability of CSOs to do their work. The vast majority of CSC survey respondents (89%) agree or strongly agree that CSOs have an active membership base. Eighty-four percent agree or strongly agree that the membership base of CSOs represents a range of constituents (see Figure 2).

According to existing data, however, there is a considerable variation in civic participation trends in Canada. While formal volunteer rates among youth have doubled (from 17% to 34%) since the last national survey in 1987, volunteer rates among older adults (65+) remained at a relatively low 23 percent. Senior volunteers - more than any other demographic group - tended to devote far more of their time to volunteering, making them a highly valuable resource for the voluntary sector. Although one in three Canadians volunteer, most volunteering is being done by a small percentage of the volunteer force. Nearly 75 percent of the total number of volunteer hours comes from less than 10 percent of all Canadians (Hall et. al., 1998).

**Figure 2. Opinion About Membership**



### Building Effective Alliances and Coalitions

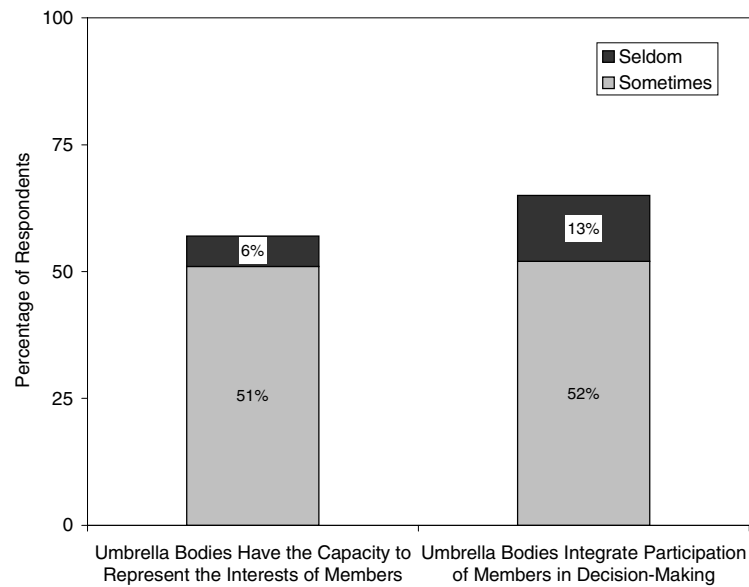
A number of umbrella and networking organizations have been established in Canada to enhance the quality and vitality of CSOs by supporting and promoting fund development, volunteerism

and leadership. Umbrella organizations can achieve results only if they have the capacity to do so (i.e., if they have financial and human resources, knowledge, information technology, etc.). Umbrella organizations can also engage members in articulating shared goals and developing action plans. In both instances, CSC survey results show a similar pattern (see Figure 3):

- More than half (57%) of survey respondents believe that umbrella organizations seldom or only sometimes have the capacity to represent the interests of members.
- Sixty-five percent of survey respondents believe that umbrella organizations seldom or only sometimes integrate participation of members of umbrella organizations into decision-making.

These results highlight some deficiencies in the ability of umbrella organizations to achieve their missions and mandates, and their capacity to fulfil their members' interests.

**Figure 3. Opinion About Umbrella Organizations**



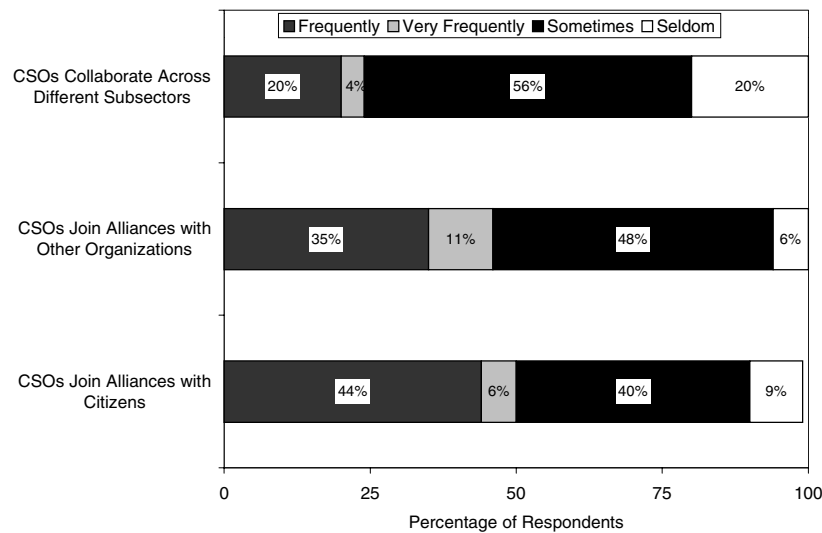
Building alliances would make it possible for CSOs to foster social and community well-being, especially in areas where there are complementary aims and objectives. Figure 4 shows that CSC survey respondents were divided about the ability of CSOs to build alliances and collaborate with citizens and other organizations. A striking finding is key informants' views on collaboration across different sub-sectors, such as environmental organizations collaborating with social & human service organizations.

- Seventy-six percent of respondents feel that CSOs seldom or only sometimes collaborate across different sub-sectors to further social and community well-being. Only 24% say they very frequently or frequently do so.

- Forty-six percent of respondents say CSOs join alliances with other organizations very frequently or frequently to further social and community well-being. Fifty-four percent believed that they seldom or only sometimes do so.
- Forty-nine percent of respondents feel CSOs join alliances with citizens very frequently or frequently to further social and community well-being. Another 49% feel they seldom or only sometimes do so.

These results seem to suggest that CSOs have not fully realized the possibilities of working together to achieve complementary aims and objectives.

**Figure 4. Opinion About Alliances and Collaboration**

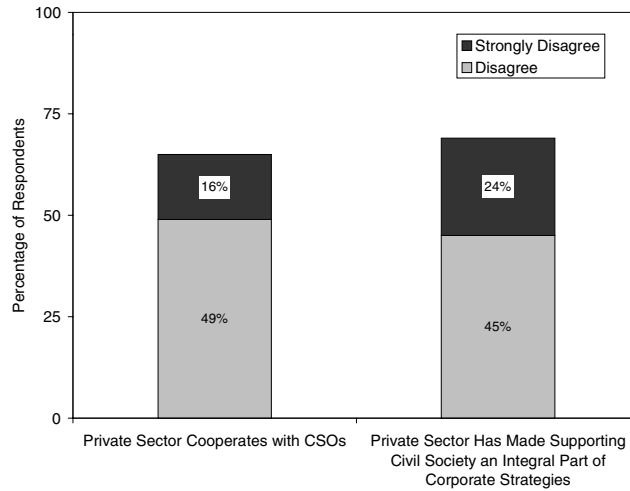


### **Private Sector Support**

One possible indicator of the private sector's commitment to civil society is the existence of corporate sector strategies that improve social and community well-being. Although the private sector seems to recognize the importance of civil society (Canadian Centre for Philanthropy, 2001a), CSC survey results suggest that a significant number of key civil society informants do not believe that the private sector has made meaningful steps toward developing a strong civil society sector (See Figure 5).

- More than two-thirds (65%) disagree or strongly disagree that the private sector co-operates with CSOs.
- More than two-thirds of respondents (69%) disagree or strongly disagree that the private sector has integrated support for civil society into corporate strategies.

**Figure 5. Opinion About the Private Sector's Support**



### **Funding Sources**

In the late 1990s, civil society's financial infrastructure was altered as federal budgets resulted in cutbacks to some CSOs. This was particularly important to CSOs with a sustainable development mandate. The 1995 budget for instance, eliminated funding to development education organizations which do not have overseas programs – resulting in the closure of some community based development education centres and significantly reducing the capacity of many others (Canadian Council for International Co-operation, 2001a). In addition, an intense competition for funds developed, not only within the sector, but often with governments directly. Although it is difficult to obtain an exact figure, many key informants in Canada believe the lack of funding has had an impact on sustainability of CSOs. When asked how many civil society organizations had to terminate operations due to lack of funding during the past year, 21% of key informants say they believe that *many* CSOs have done so, 49 percent believed that *some* have done so, and 18 percent believe that *few* have done so (Table 2).



**Table 2. Percentage of Respondents Who Feel That CSOs Had to Terminate Their Operations During The Last Year Due to Lack of Funding**

<b>Level of Opinion</b>	<b>Percentage of Respondents</b>
Many	21%
Some	49%
Few	18%
None	1%
Don't Know	11%

CSOs need sufficient and sustainable funding to do their work. Generally, this means an ability to attract resources from a variety of sources. However, CSC survey findings suggest that CSOs do not have diversified sources of funding. Fifty-four percent of CSC survey respondents strongly disagree or disagree with the statement that CSOs have diversified sources of funding (see Table 3). This may have implications for the sector. Increased competition for fewer dollars may lead some groups to modify or distort their mission by favouring activities that are more likely to be funded. Some CSOs may shift to income-generating activities at the expense of resource-consuming activities, such as providing social services to the poor.

**Table 3. Percentage of Survey Respondents Who Agree That CSOs Have Diversified Sources of Funding**

<b>Level of Agreement</b>	<b>Percentage of Respondents</b>
Strongly Agree	5%
Agree	41%
Disagree	45%
Strongly Disagree	9%

## **Summary of Key Findings**

Research findings indicate areas of strengths, as well as areas of concern, in the structure of civil society in Canada. These findings may have some implications for civil society organizations, governments and the private sector.

*Civic Participation.* By participating in civil society activities, Canadians play a central role in building vibrant communities and providing services to citizens. Indeed, the contribution of volunteers is a key factor in the ability of CSOs to do their work. About 1 in 3 (31%) Canadians volunteered their time, and more than 50% of Canadians participate as member in at least one group or organization (Hall et al., 1998).

*Building Alliances and Coalitions.* There are a number of umbrella and networking organizations in Canada that aim to enhance the quality and vitality of civil society organizations. By building alliances, CSOs could foster social and community wellbeing, especially in areas where there are complementary aims and objectives. However, the key informants surveyed feel that umbrella organizations do not have the capacity to represent the interests of members. They were also divided on CSOs' ability to build alliances and collaborate with citizens and other organizations. These results imply that although umbrella organizations and alliances could help improve the effectiveness of CSOs, they may need to be better developed. To address this concern, some have called for the establishment of a "Canadian Chamber of Charities" (Wyatt, 2001).

*Private Sector Support.* Canadian business leaders agree almost unanimously that corporations have a significant role to play in helping communities. The vast majority of key civil society informants, however, disagree that the private sector has integrated support for civil society into corporate strategies. They also disagree that the private sector co-operates with CSOs. These findings may have implications for the private sector. There is an increasing recognition that the private sector has a central role to play in the development and maintenance of healthy communities (Regelbrugge, 1999).

## The Legal, Political and Socio-Cultural Space of Canada's Civil Society

### ***Some Facts About the Legal, Political, and Socio-Cultural Space***

- Civil liberties in Canada have been protected since 1982 by the Charter of Rights and Freedoms.
- Under the Income Tax Act, a registered charity can spend no more than 10% of all its resources on advocacy activities.<sup>†</sup>
- According to a recent survey of 34 federal departments and agencies, approximately 300 joint initiatives between the Government of Canada and the civil society sector are ongoing.<sup>‡</sup>
- Ninety percent of Canadians believe that charities are important; 79% agree that charities understand the needs of Canadians better than governments.\*

<sup>†</sup>Source: Monahan and Roth (2000).

<sup>‡</sup>Source: Privy Council Office (2001).

\*Source: Hall et al., (2001).

This section addresses:

- *Regulatory environment.* The following indicators were used to assess this aspect: registration of CSOs; impact of the tax regime on civil society, advocacy and donations; and impact of miscellaneous taxes and operating regulations on CSOs.
- *Links to government.* The following indicators were used to assess this aspect: access to political representatives and government departments/agencies; capacity to interact with political representatives and government departments/agencies; role of laws and regulations in accessing political representatives and government departments/agencies.
- *Socio-cultural norms.* The following indicators were used to assess this aspect: promotion of civic engagement by the private sector; recognition of civic engagement; and public support for civil society organizations.

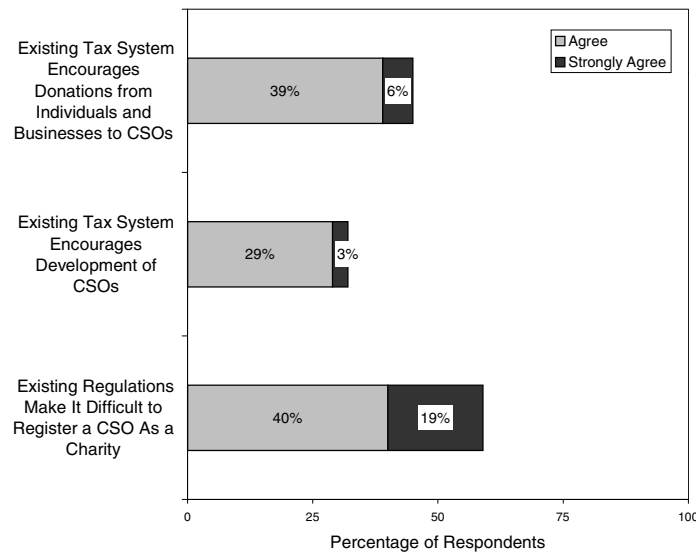
The analysis focuses primarily on the results of *Civil Society in Canada* (CSC) survey. It also incorporates data from other sources (e.g., national surveys such as NSGVP, databases, etc.) to illustrate and/or validate data from the CSC survey.

## Regulatory Environment

By far the most important law affecting the civil society sector is the federal Income Tax Act. It is not easy to determine whether a proposed activity by a non-profit organization will be determined by CCRA to be charitable or political. CCRA has broad discretion in making these determinations, but the law and administrative policies it applies contain problematic gaps and elements of subjectivity (Bridge, 2001). The current registration system for charities is perceived as administratively complex. As Figure 6 shows, a significant number of key informants believe the existing tax regime is a burden on the sector and plays a minimal role in guiding or supporting it. Similarly, the tax regime is not seen as having much impact on encouraging individual and business donations.

- Only 45% of CSC survey respondents believe the existing tax system encourages individuals and businesses to donate to CSOs.
- Only 32% of respondents agree that the existing tax system encourages the development of CSOs.
- The majority of respondents (59%) agree that the existing regulations make it difficult to register CSOs as charities.

Figure 6. Opinion About the Existing Tax Regime



Under the existing tax regime, registered charities are restricted in some areas of activity. For example, advocacy activities are strictly limited. Seventy-six percent of CSC survey respondents believe that existing tax laws and regulations make it difficult for CSOs to engage in advocacy activities. Registered charities can undertake only limited, non-partisan political activities that support their mandate and account for no more than 10 percent of their resources. Violations of these rules can lead to a loss of charitable tax status and the right to issue charitable tax receipts –

all serious implications for organizations in the non-profit sector. CCRA does not reveal how many charitable registration numbers it revokes each year because of problems with advocacy activities. As a result, it is difficult to obtain reliable data.<sup>4</sup> However, when asked for their opinion, a majority of CSC survey respondents said that they believed at least some CSOs have lost charitable status due to problems with advocacy activities during the last year (Table 4).

**Table 4. Key Informants' Opinions on the Amount of CSOs That Have Lost Their Charitable Status During the Past Year Due to Problems with Advocacy Activities**

Level of Opinion	Percentage of Respondents
Many	7%
Some	23%
Few	39%
None	3%
Don't Know	28%

### **Government – Civil Society Partnerships and Co-operation**

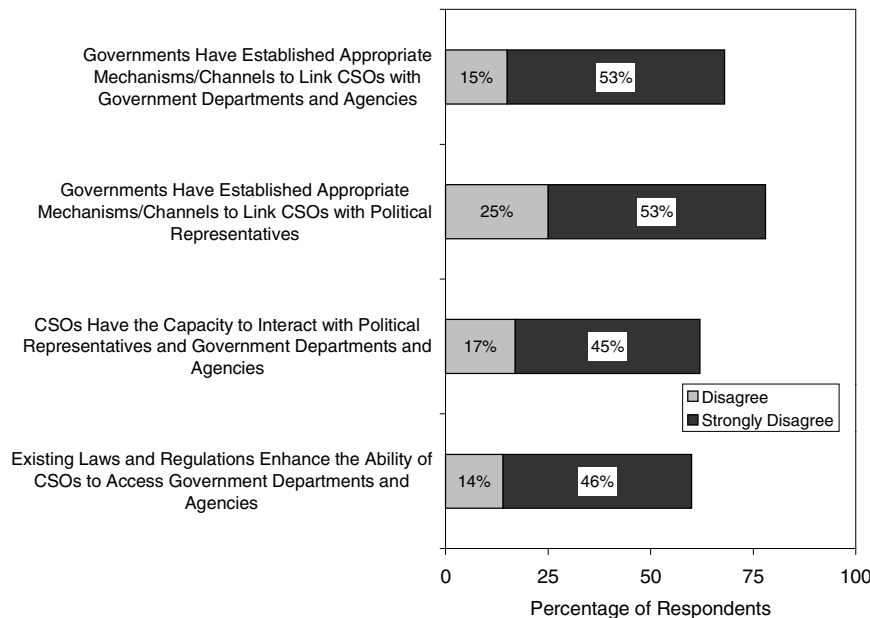
If civil society is to have a real effect on government decisions, CSOs will have to have access to the executive and legislative levels of governments. There are approximately 300 joint initiatives between the federal government and the voluntary sector involving 34 federal departments and agencies (Privy Council Office, 2001). Despite these initiatives, CSC survey findings suggest that governments have not fully established avenues of access. Key informants believe governments have not put in place appropriate mechanisms and channels to give CSOs access to government department and agencies, or to political representatives. As Figure 7 shows, CSC survey results suggest that governments have not fully established avenues to foster a relationship with CSOs.

- The majority (68%) of respondents disagree with the statement that governments have established appropriate mechanisms and channels to link CSOs with government departments and agencies.
- The majority (78%) of respondents disagree with the statement that governments have established appropriate mechanisms and channels to link CSOs with political representatives.

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<sup>4</sup> According to a CCRA official, approximately 10 to 30 charitable numbers are revoked annually for “reprehensible behaviour”. See, Picard (2001).

**Figure 7. Opinion About Links to Governments**



What factors impede collaboration between governments and CSOs? CSC survey results suggest that challenges include CSO capacity and the legal and regulatory framework (see Figure 7).

- Sixty-two percent of survey respondents disagree with the statement that CSOs have the capacity (e.g., the human resources, knowledge, etc) to interact with political representatives and government departments and agencies.
- Sixty percent disagree with the statement that existing laws and regulations enhance the ability of CSOs to access government departments and agencies.

More work needs to be done in organizational and regulatory realms to ensure that CSOs have the access and capacity to interact with government departments/agencies and political representatives.

### ***Promoting Civic Participation and Recognition***

Civic participation allows Canadians to express their commitment to social and community well-being. It is also fundamental to a democratic and inclusive society. Recent survey data indicate that Canadians have a strong sense of civic participation. According to the 1997 NSGVP, 51% of Canadians (totalling 12 million aged 15 and over) reported that they were members of, or participants in, community organizations (e.g., community associations, service clubs, unions, etc.) (Hall et al., 1998). From a 2000 public opinion survey of attitudes toward charities, most respondents (70%) believe that charities are more effective than government in meeting the needs of Canadians (Hall, Greenberg & McKeown, 2001). When asked for their opinion about

whether, during the past decade, public support for civil society organizations has changed, the majority (64%) of key informants surveyed by the Centre for Philanthropy indicate that the public support has either increased or remained the same (Table 5).

**Table 5. Respondents' Opinions About the Change in Public Support for CSOs Over the Last Decade**

<b>Level of Opinion</b>	<b>Percentage of Respondents</b>
Increased	32%
Remained the Same	32%
Decreased	30%
Don't Know	6%

### **Summary of Key Findings**

Research findings indicate areas of strengths, as well as areas of concern, in the legal and political space of Canada's civil society. These may have implications for civil society organizations, for governments and for the private sector. Some of these areas are outlined below.

*Regulatory Environment.* The way in which CSOs are regulated and taxed can make a difference to their ability to affect social and community well-being. A significant number of key informants believe the existing tax regime is a burden on the sector and plays a minimal role in guiding or supporting it. Most key informants did not believe that the existing tax system encourages the development of CSOs or encourages individuals and businesses to donate to CSOs. The vast majority believe the existing tax laws and regulations make it difficult for CSOs to engage in advocacy activities. Indeed, these views are supported by other surveys. For example, most Canadians (88%) think that charities should speak at on issues like the environment, poverty or health care. And, fewer than 10% of Canadians support the current limits on advocacy (Hall et al., 2001).

*Government – Civil Society Partnerships and Co-operation.* If civil society is to have a real effect on government decisions, CSOs must have access to the executive and legislative levels of governments. However, research findings suggest that governments have not fully established avenues of access. Many key informants believe governments have not put in place appropriate mechanisms and channels to give CSOs access to government department and agencies, or to political representatives. Key informants also believe CSOs lack the capacity (i.e., the human resources, knowledge, etc.) for effective interaction with government. These findings suggest that links between civil society and government departments/agencies as well as elected

representatives may be weaker than some may imagine. Consequently, CSOs may have limited capacity to effect appropriate frameworks and mobilize resources at the political and administrative levels. However, some attempts have been made to strengthen CSOs' capacity and to build a new working relationship between governments and civil society. At the federal level, the VSI's Awareness Joint Table is working to foster recognition of the voluntary sector by developing and implementing an action plan to influence the attitudes, opinions and perceptions of governments. A Capacity Joint Table is working to strengthen the sector's capacity to meet the demands placed on it by Canadian society (Voluntary Sector Initiative, 2001).

*Promoting Civic Participation and Recognition.* Canadians have a strong sense of civic participation. Almost two-thirds of Canadian key informants believe that the public support for civil society organizations is increasing or remained the same over the last decade. Many Canadians feel that CSOs are playing a growing role in society. Indeed, an overwhelming majority of Canadians (79%) believe that charitable organizations understand the needs of the average Canadian better than governments do and that such organizations do a better job in meeting the needs of Canadians (69%) (Hall et al., 2001).



## The Values of Canada's Civil Society

### ***Some Facts About the Values***

- In 1997, the Canadian International Development Agency funded 327 human rights related projects, undertaken by CSOs.<sup>†</sup>
- Canadian environmental CSOs like Greenpeace Canada, Sierra Club of Canada, and Probe International have carried out successful local and international campaigns.
- Seventy seven percent of Canadians trust charities, according to a recent look at Canadians' opinions of registered charities.<sup>‡</sup>
- Eighty four percent of Canadians believe that charities are generally honest about how they use donations.<sup>‡</sup>
- A survey of 143 countries conducted by Transparency International identifies Canada as one of the least corrupt countries in the world.\*

<sup>†</sup>Source: Canadian Council for International Co-operation (2001b).

<sup>‡</sup>Source: Hall et al., (2001).

\*Source: Transparency International (2001).

This section looks at:

- *The role of Canadian civil society organizations in social justice, diversity and community well-being.* The following indicators were used to assess this aspect: initiatives promoting human rights, gender equity, cultural diversity, the environment/sustainable development, and civil activities.
- *Transparency and accountability within civil society organizations.* The following indicators were used to assess this aspect: public accountability; financial transparency; codes of conduct; and, corruption in civil society organizations.
- *Organizational processes.* The following indicators were used to assess this aspect: stakeholder participation; volunteer participation; creating consensus-based/participatory mechanisms; governance; and, democratic elections.

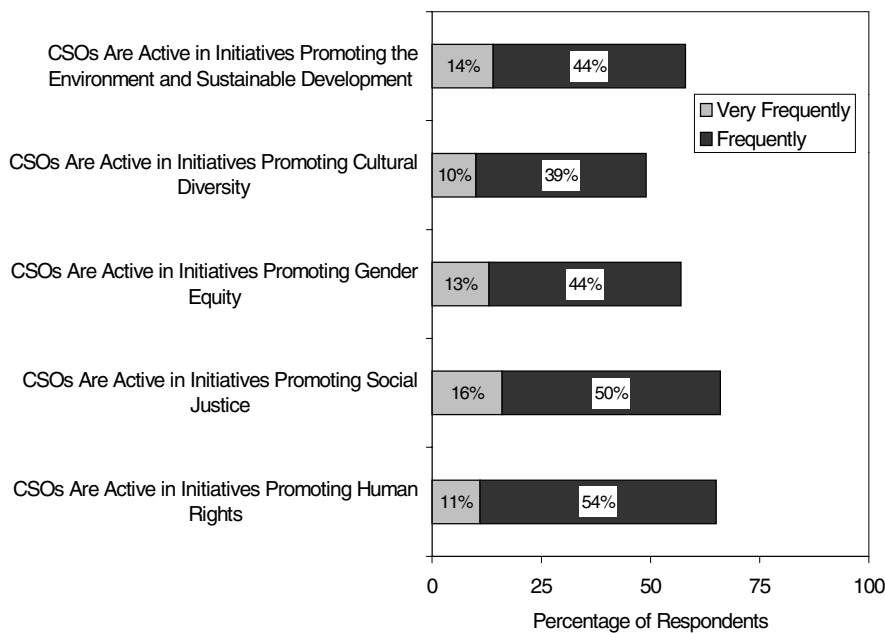
The analysis focuses primarily on the results of *Civil Society in Canada* (CSC) survey. It also incorporates data from other sources (e.g., national surveys such as NSGVP, databases, etc.) to illustrate and/or validate data from the CSC survey.

### **Promoting Human Rights, Social Justice, Gender Equity, Cultural Diversity, and the Environment and Sustainable Development**

CSC survey results suggest that an impressive number of organizations and networks in Canada include human rights, social justice, equity rights, the environment and sustainable development among their activities (see Figure 8).

- Fifty-eight percent of respondents said Canadian CSOs are very frequently or frequently active in initiatives promoting the environment and sustainable development.
- Less than half of respondents (49%) believe CSOs are very frequently or frequently active in initiatives promoting cultural diversity.
- Fifty-seven percent believe CSO are very frequently or frequently active in initiatives promoting gender equity.
- Sixty-six percent of respondents say CSOs are very frequently or frequently active in initiatives promoting social justice.
- Sixty-five percent of respondents believe CSOs are very frequently or frequently active in initiatives promoting human rights.

**Figure 8. Opinion About Promoting Human Rights, Social Justice, Gender Equity, Cultural Diversity, and the Environment and Sustainable Development**

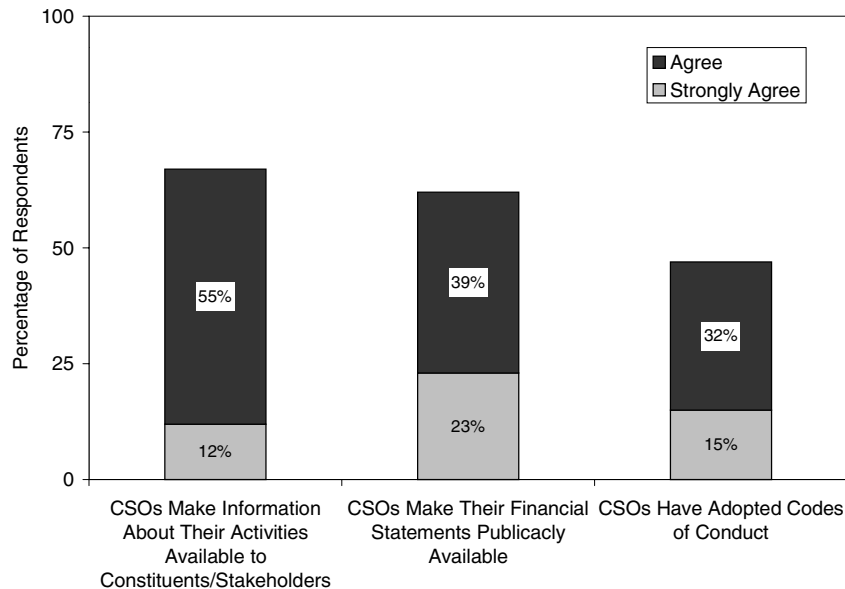


## Transparency and Accountability

Regardless of their size, civil society organizations are first and foremost self-governing. CSOs are expected to use a range of accountability measures. Some are applied by external regulatory agencies (i.e. CCRA, funding agencies, etc.), while others constitute internal self-regulating measures. This often involves ensuring that the appropriate processes and structures are in place to address an organization's operations and activities. Figure 9 shows that a high level of accountability exists in the civil society sector.

- Sixty-seven percent of CSC survey respondents agree with the statement that CSOs make information about their activities available to constituents and stakeholders.
- Sixty-two percent of respondents agree with the statement that CSOs make their financial statements publicly available.<sup>5</sup>
- Less than half of CSC survey respondents (47%) agree that CSOs have adopted codes of conduct.

**Figure 9. Opinion About Accountability and Transparency**



The sheer size and diversity of Canada's non-profit sector make an examination of accountability challenging at best. Under debate in civil society is whether or not CSOs misrepresent their work to the public. Some media reports have claimed mismanagement of funds by some CSOs (Van

<sup>5</sup> It should be noted that civil society organizations that issue tax receipts are obligated to make public certain information about themselves.

Rooney, 1999). When asked for their opinion, 80% of CSC survey respondents felt that either some or few CSOs have engaged in activities such as corruption (see Table 6). Such activities could threaten the legitimacy of all CSOs, and the public's reaction could potentially undermine civil society itself.

**Table 6. Respondents' Opinions About How Many CSOs Have Engaged in Corruption and Mismanagement**

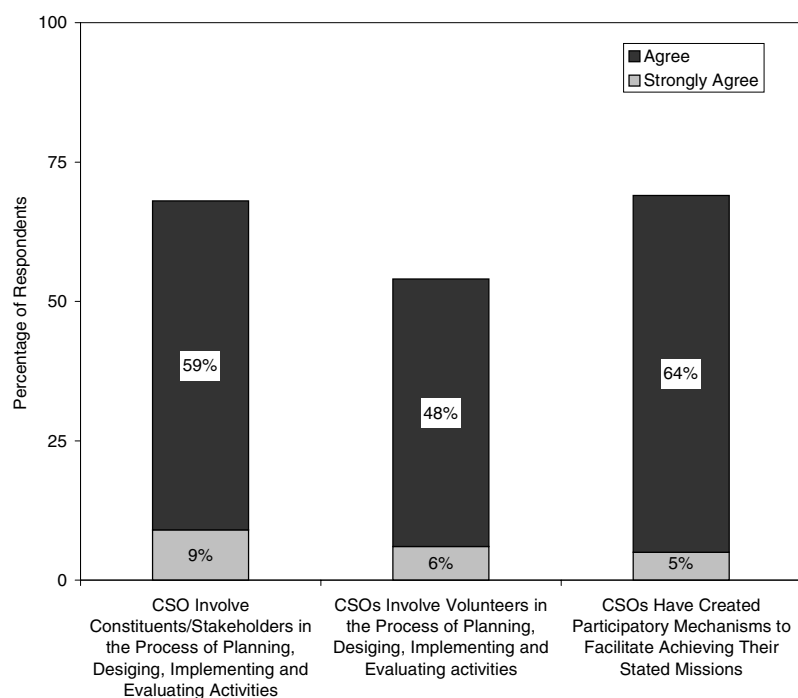
<b>Level of Opinion</b>	<b>Percentage of Respondents</b>
Some	18%
Few	62%
None	2%
Don't Know	18%

### ***Participation and Governance***

Many analysts have emphasized the importance of participation and consensus-building in effective design and implementation of governance programmes and projects. Figure 10 shows that CSOs in Canada are internally democratic and have relatively strong relations with their constituents and stakeholders.

- Sixty-eight percent of CSC survey respondents agree with the statement that CSOs involve constituents and stakeholders in planning, designing, implementing and evaluating activities.
- Fifty-four percent agree with the statement that CSOs involve volunteers (other than board members) in planning, designing, implementing and evaluating activities.
- Sixty-nine percent agree with the statement that CSOs have created participatory mechanisms to facilitate achieving their stated missions.

**Figure 10. Opinion About Participation and Governance**



### Summary of Key Findings

Findings on the values of Canada's civil society may have some implications for civil society organizations, governments and the private sector. Some of these are outlined below.

*Equity Rights, the Environment and Sustainable Development.* Much is expected of CSOs in their efforts to deal with social justice and social inclusion, and to promote human rights. The majority of key informants believe that CSOs are frequently active in initiatives that promote equity rights, the environment and sustainable development. They do not believe, however, that CSOs are as active in initiatives promoting cultural diversity, even though Canada enjoys rich cultural and linguistic diversity.

*Transparency and Accountability.* Regardless of their scope of activity, CSOs are first and foremost self-governing. While there is a perception among key informants that a high level of transparency and accountability exists in CSOs, many feel that CSOs lack codes of conduct that would enhance accountability and transparency. This may imply CSOs recognize and act upon their need to be responsible stewards of funds, and responsive leaders within their communities. Indeed, this undercurrent of concern about the accountability of voluntary sector organizations was one reason for the 1998 establishment of the Broadbent Panel on Accountability and Governance in the Voluntary Sector (Panel on Accountability and Governance in the Voluntary Sector, 1999).

*Participation and Governance.* Although the ways in which CSOs govern themselves differ considerably, the majority of key informants feel CSOs in Canada are internally democratic and have relatively strong relations with their constituents and stakeholders. Key informants believed

that CSOs involve constituents, stakeholders and volunteers in planning, designing, implementing processes. By making governance practices open and participatory, CSOs will be better prepared to succeed in a rapidly changing environment.

## The Impact of Canada's Civil Society

### ***Some Facts About the Impact***

- The Government of Canada has made some attempts to open its policy process to external actors, such as civil society organizations.<sup>†</sup>
- The Social Union Framework Agreement (SUFA) commits governments to work in partnership with various CSOs, and ensure opportunities for Canadians to have meaningful input into social policies and programs.<sup>‡</sup>
- Three-quarters of Canadians say charities understand Canadians' needs better than government.<sup>\*</sup>
- Sixty-six percent of Canadians believe charities do a better job than government in meeting those needs.<sup>\*</sup>
- Canadian CSOs that focus on international development – some 300 of them – work in over 75 countries.<sup>§</sup>

<sup>†</sup>Source: Department of Foreign Affairs and International Trade (2001a).

<sup>‡</sup>Source: Canadian Intergovernmental Conference Secretariat (2001).

<sup>\*</sup>Source: Hall et al., (2001).

<sup>§</sup>Source: Canadian Council for International Co-operation (2001).

This section looks at:

- *The impact of Canadian civil society on the public policy process.* The following indicators were used to assess this aspect: the role civil society organizations in agenda-setting, policy making, policy implementation, and program and policy evaluation.
- *Responsiveness of civil society organizations.* The following indicators were used to assess this aspect: program and service delivery; needs and demands identification; innovation; and, responsiveness to criticism and suggestions.
- *Effectiveness of civil society organizations.* The following indicators were used to measure this aspect: conflict mediation; capacity development; attitude change; service and program impact evaluation; value addition; and social capital.

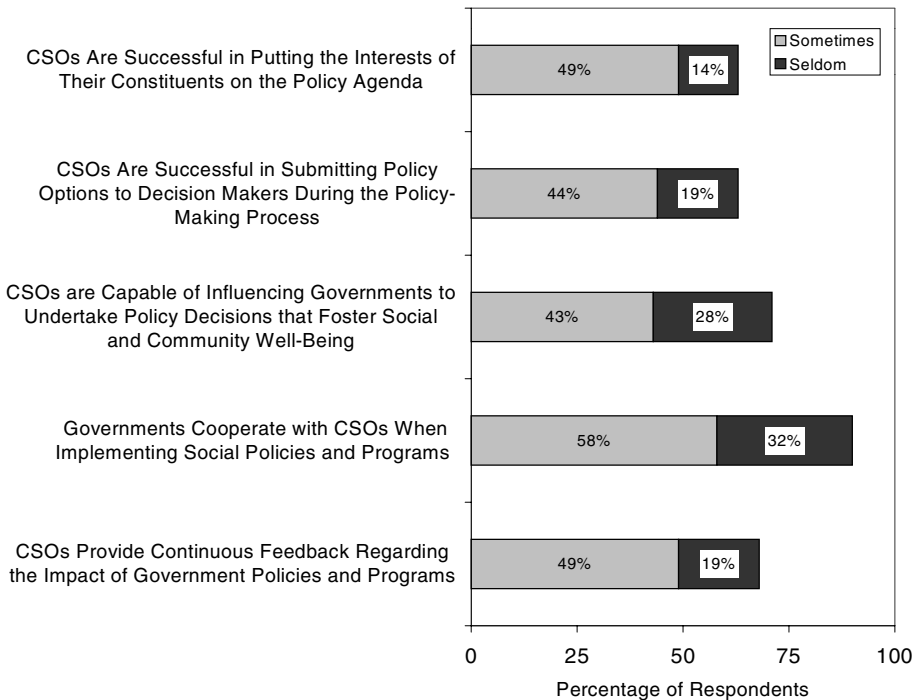
The analysis focuses primarily on the results of the *Civil Society in Canada* (CSC) survey. It also incorporates data from other sources (e.g., national surveys such as NSGVP, databases, etc.) to illustrate and/or validate data from the CSC survey.

### Civil Society's Impact on Public Policy

The public "space" for policy work has expanded: Although, early ventures in civil society-government policy engagement met resistance of some public officials, recently, there has been active political support for public participation in the policy process as higher priority is placed on public participation, consensus building as well as the search for "outsider" ideas (Canadian Environmental Assessment Agency, 2001; Department of Foreign Affairs and International Trade, 2001b; Ontario Ministry of Labour, 2001). Although governments have used consultations to gather input into policy-making, CSC survey data suggest that governments have not adequately reached out to CSOs (see Figure 11).

- Sixty-three percent of survey respondents note that CSOs are seldom or only sometimes successful in putting the interests of their constituents on the policy agenda.
- Sixty-three percent of respondents believe that CSOs are not frequently successful in submitting policy options to decision-makers during the policy process.
- More than two-thirds of respondents (71%) say CSOs are seldom or only sometimes capable of influencing governments to undertake policy decisions that foster social and community well-being.

Figure 11. Opinion About Impact on Public Policy





As governments have redefined and reduced their roles, new demands have been placed on CSOs. As a result of these new pressures, CSOs are now calling on government to co-operate with them when implementing social policies and programs.

- A vast majority of CSC survey respondents (90%) feel governments seldom or only sometimes co-operate with CSOs when implementing social policies and programs.
- More than two-thirds of respondents (68%) believe CSOs seldom or only sometimes provide continuous feedback regarding the impact of government policies.

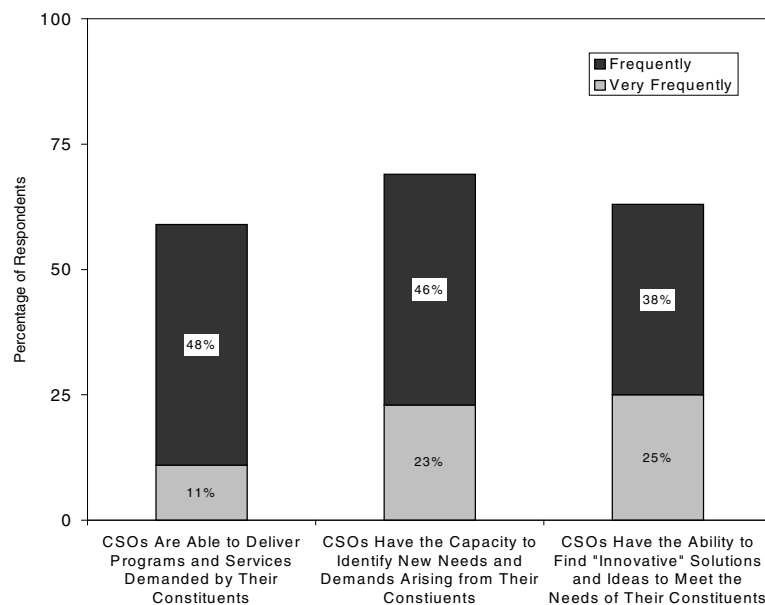
These results suggest that there is little co-operation in policy implementation and evaluation, but that governments could seek opportunities to broaden civil society's role in the policy process.

### ***Responsiveness of Civil Society Organizations***

Changing government roles, increasingly diverse populations, and new political, economic and social realities have required CSOs to broaden and adapt their programs and missions to a myriad of demands. Figure 12 suggests that CSOs exhibit the characteristics of effective service and program providers.

- Fifty-nine percent of CSC survey respondents say CSOs are very frequently or frequently able to deliver programs and services demanded by their constituents.
- More than two-thirds of respondents (69%) believe CSOs very frequently or frequently have the capacity to identify new needs and demands arising from their constituents.
- The majority of respondents (63%) feel CSOs very frequently or frequently have the ability to find “innovative” solutions and ideas to meet the needs of their constituents.

**Figure 12. Opinion About the Responsiveness of Civil Society Organizations**



### ***Effectiveness of Civil Society Organizations***

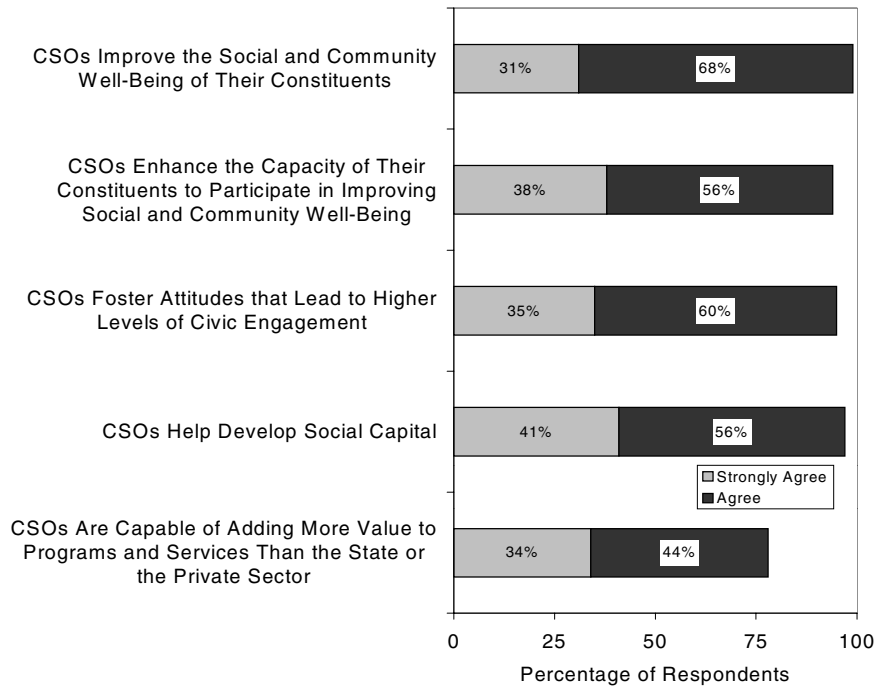
Community and social well-being can only be achieved if people are able to engage in civic life.

- Virtually all CSC survey respondents (99%) agree that CSOs improve the social and community well-being of their constituents (Figure 13).
- Ninety-four percent of CSC survey respondents agree that CSOs enhance the capacity of their constituents to participate in improving social and community well-being.
- Ninety-five percent of respondents believe that CSOs foster attitudes that lead to higher levels of civic engagement.

Increasingly, a nation's strength depends on its social capital. In this context, CSOs are the wellspring of social capital – people working together for a common purpose (Putnam, 2000).

- Ninety-seven percent of respondents agree that CSOs help develop social capital.

**Figure 13. Opinion About the Effectiveness of Civil Society Organizations**



As services and programs that were once the domain of governments are now being delivered by both private and voluntary sectors, some have raised the utility of using CSOs as service and program delivery agents.

- A vast majority of respondents (78%) strongly agree or agree that CSOs are capable of adding more value to programs and services than the state or the private sector (Figure 13).

In an environment undergoing considerable transformation, the impact of CSOs could be either powerful or unfocused. Clear focus calls for establishing appropriate and rigorous evaluation measures to assess the outcomes of CSO activities. Survey respondents are divided on the question of whether CSOs have put in place systems to evaluate the effectiveness of their programs and services. Fewer than half of CSC survey respondents (49%) agree that they had done so; 37% disagree that they had done so; 14 percent do not know whether such systems are in place (see Table 7).

**Table 7. Respondents' Opinions About the Availability of Systems to Evaluate CSOs' Programs and Services**

<b>Level of Opinion</b>	<b>Percentage of Respondents</b>
Strongly Agree	7%
Agree	42%
Disagree	34%
Strongly Disagree	3%
Don't Know	14%

### **Summary of Key Findings**

Findings on the impact of Canada's civil society may have some implications for civil society organizations, governments and the private sector. The remainder of this section outlines some of them.

*Civil Society's Impact on Public Policy.* If CSOs are to help improve social and community well-being, they need to figure prominently on the policy agenda. Although governments have used consultations to gather input into policy-making, survey results suggest that they have not adequately reached out to CSOs. The majority of key informants believe that CSOs are not successful in putting the interests of their constituents on the policy agenda. They also feel that governments seldom co-operate with CSOs when implementing social policies and programs. These findings suggest that CSOs have had limited success in the policy process and also that CSOs and governments need to continue their efforts to engage in joint policy development.

*Responsiveness of Civil Society Organizations.* CSOs are facing an environment in considerable flux. Changing government roles, increasingly diverse populations, and new political, economic and social realities have required CSOs to broaden and adapt their programs and services. Research findings suggest that CSOs have the capacity to identify new needs and demands arising from their constituents, and that they are able to deliver programs and service using innovative means.

*Effectiveness of Civil Society Organizations.* To achieve community and social well-being, it is important that people have the capacity to engage in civic life. Research findings suggest that CSOs not only foster attitudes that lead to higher levels of civic engagement, but that they also enhance the capacity of their constituents to participate in improving social and community well-being. Key informants surveyed seem to suggest that CSOs are more capable than the state or the

private sector of adding more value programs and services. This implies CSOs may be instrumental in improving the quality of life for Canadians. Indeed, this concurs with the feelings of most Canadians (Hall et al., 2001).

## **Part 4: Conclusion**

Approximately 175,000 organizations in Canada are identified as nonprofits, registered charities, or other voluntary groups. These civil society organizations have nurtured Canada's cultural, political, economic and social life, and have expressed society's changing needs locally, regionally, nationally, and internationally. In this period of rapid social and economic transformation, CSOs are struggling to respond to greater needs while challenging themselves, governments and the private sector to assess new roles and to develop effective strategies for ensuring social and community well-being.

This study provided some preliminary insights into the health, strength and impact of Canada's civil society. Research findings show that while CSOs play an important role in Canada's economy and communities, they also face challenges. These findings may have some implications for CSOs, governments and the private sector. The three most important are that:

- If CSOs are not able to find timely solutions to the challenges they face, their ability to effect social and community well-being could be undermined;
- If governments do not take steps to clear obstacles in the current working relationship between the two sectors, CSOs will have only limited success in improving the quality of life for Canadians;
- If the private sector does not participate in developing a new framework for collaboration and partnership with the civil society sector, it may be relegated to a minor role in helping communities.

However, a comprehensive explanation for the reasons behind these challenges could only come from in-depth follow-up research on Canada's civil society.

As part of its Voluntary Sector Initiative (VSI), the Government of Canada and the voluntary sector are working to strengthen the capacity of the voluntary sector and to enhance the relationship between the sector and the government. In this context, two key research findings may be of particular interest.

The first concerns the regulatory environment within which civil society organizations in Canada operate. The way in which CSOs are regulated and taxed can make a difference in their ability to effect social and community well-being. A significant number of key civil society informants believe that the existing tax regime is a burden on the sector and plays a minimal role in guiding or supporting the sector. Most key informants do not believe that the existing tax system encourages the development of CSOs or that it encourages individuals and businesses to donate to CSOs.

The second concerns civil society organizations' ability to influence the policy-making process. If CSOs are to help improve social and community well-being, they need to figure prominently on the policy agenda. Although governments have used consultations to gather input into policy-making, survey results suggest that they have not adequately reached out to CSOs. The majority

of key informants believe that CSOs are not successful in putting the interests of their constituents on the policy agenda. They also felt that governments seldom co-operate with CSOs when implementing social policies and programs.

Although the CIVICUS Index project in Canada is an exploratory one, the information presented in this report serves two purposes for civil society stakeholders. First, it provides an important benchmark on the current health, strength and impact of Canada's civil society. Second, the Index project identifies those areas of Canada's civil society that may require some policy attention. The Index project gathered information on Civil Society that may be useful for initiatives that set the agenda and develop strategies to strengthen the capacity of Canada's civil society. For example, some of the findings outlined in this report are of relevance to Voluntary Sector Initiative, a joint undertaking of the voluntary sector and the Government of Canada. In addition, we hope that this report may also contribute to improving the state of civil society in other countries by sharing our experiences and realities.

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## Appendix 1

### List of Indicators

#### Structure

Indicator	Description
1. Active membership	Civil society organizations (CSOs) have an active membership base.
2. Diversity of constituents	The membership base of CSOs represents a range of constituents.
3. Volunteer staff	Activities of CSOs are carried out mainly by volunteers.
4. Paid Staff	Activities of CSOs are carried out mainly by paid staff.
5. Distribution	CSOs are distributed in proportion to population across regions.
6. Umbrella organizations (capacity)	Umbrella organizations that represent CSOs at regional and/or national levels have the capacity to represent the interests of their members.
7. Umbrella organizations (participation)	Umbrella organizations that represent CSOs at regional and national levels have integrated the participation of their members in decision-making.
8. Alliances (citizens)	CSOs join alliances with citizens to further social/community well-being.
9. Alliances (other organizations)	CSOs join alliances with other organizations to further social/community well-being.
10. Collaboration (sub-sectors)	CSOs collaborate across different sub-sectors to further social/community well-being.
11. Co-operation (government)	Elected government representatives co-operate voluntarily with CSOs to foster social/community well-being.
12. Co-operation (government departments/agencies)	Government departments and agencies co-operate with CSOs to further social and community well-being.
13. Co-operation (private sector)	The private sector co-operates with CSOs to promote advocacy and actions beneficial to social/community well-being.
14. Corporate strategies	The private sector has incorporated supporting civil society as an integral part of corporate strategies.
15. Financial sustainability	Financial sustainability of CSOs.
16. Funding	CSOs have diversified sources of funding.

## Legal and Political Space

Indicator	Description
1. Registration	Existing federal regulations make it difficult to register a CSO as a charity with the Canada Customs and Revenue Agency (formerly Revenue Canada).
2. Tax system (development of CSOs)	The existing tax system encourages the development of CSOs.
3. Tax system (donations)	The existing tax system encourages donations from individuals and businesses to CSOs.
4. Miscellaneous taxes	Existing miscellaneous taxes make the activities of CSOs difficult.
5. Operating regulations	Existing operating regulations make the activities of CSOs difficult.
6. Tax laws (advocacy)	Existing tax laws/regulations make the advocacy activities of CSOs difficult.
7. De-registration (advocacy)	CSOs have lost their charitable status during the past year due to problems with advocacy activities.
8. Legislative access	Governments have established appropriate mechanisms/channels to link CSOs with political representatives.
9. Government agency/department access	Governments have established appropriate mechanisms/channels to link CSOs with government departments and agencies relevant to the civil society sector.
10. Policy capacity (resources)	CSOs have the capacity to interact with political representatives, and government departments and agencies.
11. Laws/regulations (access to legislatures and government departments/agencies)	Existing laws and regulations enhance the ability of CSOs to access government departments and agencies relevant to their activities.
12. State recognition	Governments recognize citizens who participate in civic activities (e.g., volunteering and giving).
13. Private sector recognition	Citizens who participate in civic activities are recognized by the private sector.
14. Promote civic engagement (government employees)	Governments promote civic activities among their employees.
14. Promote civic engagement (private sector employees)	The private sector promotes civic activities among their employees.
15. Public support for CSOs	The change in the level of support for CSOs during the past decade.

## Values

Indicator	Description
1. Human rights	CSOs are active in initiatives promoting human rights.
2. Social justice	CSOs are active in initiatives promoting social justice.
3. Gender equity	CSOs are active in initiatives promoting gender equity.
4. Cultural diversity	CSOs are active in initiatives promoting cultural diversity.
5. Environment and sustainable development	CSOs are active in initiatives promoting the environment and sustainable development.
6. Civic activities among under-represented groups	CSOs are active in initiatives promoting civic activities among under-represented groups (e.g., youths, new Canadians, etc.).
7. Public accountability	CSOs make information about their activities available to constituents and stakeholders.
8. Financial transparency	CSOs make their financial statements (e.g., audited financial reports) publicly available.
9. Codes of conduct	CSOs have adopted codes of conduct (e.g., ethical fundraising, financial accountability, etc.) to ensure their integrity and accountability.
10. Corruption	CSOs have engaged in activities that are detrimental to promoting social/community well-being (e.g., corruption, etc.).
11. Stakeholder participation	CSOs involve their constituents and stakeholders in the process of planning, designing, implementing and evaluating their activities.
12. Volunteer participation	CSOs involve their volunteers (other than those who serve on boards of directors) in planning, designing, implementing and evaluating their activities.
13. Participatory mechanisms	CSOs have created participatory mechanisms (e.g., stakeholder consultations, etc.) to facilitate achieving their stated missions.
14. Consensus-based decision making practices	CSOs in Canada have incorporated consensus-based decision making practices involving staff and stakeholders.
15. Governance	CSOs have dealt effectively with issues of governance.
16. Democratic elections	CSOs use democratic processes (e.g., transparent elections, etc) to select their leaders.

## Impact

Indicator	Description
1. Policy agenda	CSOs are successful in putting the interests of their constituents on the public policy agenda.
2. Policy drafting	CSOs are successful in submitting policy options to decision-makers during the policy-making process.
3. Policy making	CSOs capable of influencing governments to undertake policy decisions that foster social and community well-being.
4. Policy implementation	Governments co-operate with CSOs when implementing social policies and programs.
5. Policy feedback	CSOs provide continuous feedback regarding the impact of government policies and programs.
6. Program/service delivery	CSOs deliver programs and services demanded by their constituents
7. Needs/demands identification	CSOs have the capacity to identify new needs and demands arising from their constituents.
8. Innovation	CSOs have the ability to find “innovative” solutions and ideas to meet the needs of their constituents.
9. Responsiveness (criticisms/suggestions)	CSOs make timely responses to criticisms and suggestions.
10. Conflict mediation	CSOs are capable of mediating conflicts in society.
11. Service/program impact	CSOs improve the social/community well-being of their constituents.
12. Capacity development	CSOs enhance the capacity of their constituents to participate in improving social and community well-being.
13. Attitude change	CSOs foster attitudes that lead to higher levels of civic engagement.
14. Impact evaluation	CSOs have put systems in place to evaluate the effectiveness of their programs and services (e.g., periodic project evaluations, etc.).
15. Value addition	CSOs are capable of adding more value to programs and services than the state or the private sector.
16. Social capital	CSOs help develop social capital (e.g., networks and relationships that foster collective action).