Editorial

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The last two decades have witnessed significant changes in the nonprofit sector and the various national environments in which it operates worldwide. These changes include substantial growth in the size and importance of the sector in many countries, especially as a delivery mechanism for public services. This growth has largely occurred within the context of the “New Public Management” and “New Governance” movements which have promoted alternatives to government services (Phillips and Smith 2010), and have been accompanied by growing public attention to transparency, impact, social innovation and business-like management approaches (Lohmann 2007; Philips and Smith 2014).

As Anheier notes (2009), since the 1990s nonprofit organizations have been subjects of a complex policy dialogue that involves three broad perspectives regarding their role in society: as service providers, vehicles for civic engagement, and mechanisms to foster social accountability.

As service providers, nonprofits are increasingly part of new public management (NPM) and more recently, new governance approaches, and of the so-called “mixed economy of welfare” (Salamon and Toepler 2015). Salamon (2015) calls this the “nonprofitization” of the welfare state as governments turn increasingly to nonprofit organizations to assist in carrying out publicly funded functions. This reflects a growing realization of the limitations of the state in delivering social services and an appreciation of the distinctive qualities of nonprofit organizations as a partner of the state.

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Nonprofits are also increasingly considered to be central to civil society, as they contribute to the production of social capital and enhance civic engagement (Evers 2013). In addition, nonprofits are seen as instruments of greater transparency, heightened accountability, and improved governance of public institutions, via such mechanisms as citizen advisory boards, community councils, public expenditure tracking, and monitoring of public service delivery (Anheier 2009).

The changes in the roles of nonprofit organizations and in their environments have prompted efforts in some countries to adjust relations between government and the nonprofit sector to the new reality, through various policy initiatives, ranging from reviewing current policies, to creating entirely new comprehensive policy regimes towards the sector. Some of these efforts have involved enactment of new laws, creation of supervisory mechanisms and establishing new modes of funding. These initiatives have exposed different ideologies, perceptions and visions about the nonprofit sector, its role in society, its relationships with government, the market and citizens, as well as alternative means to advance them (Gidron and Bar 2009; Reuter, Wijkström, and von Essen 2012).

Noteworthy among these initiatives are “government-voluntary sector compacts” which reflect an international trend towards more deliberate relations between government and nonprofits (Casey 2015; Myers and MacDonald 2014). These are written agreements that seek to formally define and regulate the relationships between the nonprofit sector and the state. Since the signing of the first compact in England in 1998, similar agreements have been developed in several countries. In many other countries, while formal agreements have not been signed, new coordinating structures have emerged as means to define and strengthen deliberative relations (Reuter, Wijkström, and von Essen 2012).

These formal policy documents and structures for cooperation and coordination are manifestations of a growing international perception of nonprofit – government relations as partnerships. In recent years the partnership approach has prevailed as a model for nonprofit-government relations in developed countries, linking government to nonprofit organizations in a wide assortment of fields (Bode and Brandsen 2014; Loeffler 2009; Salamon and Toepler 2015). Based on theories of New Governance, the partnership approach emphasizes the interdependence between the state and various other social actors, among them nonprofit organizations, and foresees the emergence of widespread patterns of collaboration among them. In contrast to the New Public Management approach, which emphasizes reliance on the market to take on functions formerly performed by governments, the New Governance emphasizes the significant strengths that nonprofit organizations can bring to the provision of publicly financed services (Salamon and Toepler 2015). In particular, nonprofit organizations are thought to have significant advantages over other types of providers of public services by bringing to bear unique

knowledge deriving from close proximity to distinctive user groups, special skills, flexibility, and a capacity to mobilize resources such as volunteers and private charitable resources (Bode and Brandsen 2014).

While the new governance approach and the partnership policies derived from it have gained prominence in many countries in recent years, the consequences of policies designed to strengthen and formalize cooperation and coordination between nonprofit organizations and governments are not clear yet. Some forms of partnership and collaboration between the nonprofit sector and government have been criticized for lack of performance, power asymmetries, and the concerns that involvement of nonprofit organizations in public service delivery will lead to their overdependence on government, a change in their distinctive roles and contributions, bureaucratization and over-professionalization of civic organizations, and diminishing of nonprofits' role as policy advocates for distinctive groups in society (Hasenfeld and Powell 2004; Salamon and Toepler 2015; Smith and Lipsky 1993). It has also been suggested that these partnership arrangements constitute a new way of co-opting nonprofits into government's policy agenda, allowing government to interfere and reshape civil society according to its own preferences (Bode 2014; Brandsen, Trommel and Verschuere 2014). Thus, while the new partnership arrangements hold promise for enhancing democracy and delivering public services more efficiently, they also create complex relationships and present new challenges for nonprofit organizations and government, given the different perspectives and interests of the two sides.

It is worth noting that while in many developed countries nonprofit organizations have become partners of government, the situation in developing countries is rather different. In many developing countries civil society organizations are still struggling to become legitimate actors within their societies and polities (See: Appe and Layton; Chikoto and Uzochukwu; and Herrold, in this issue). In these countries contentious relations prevail between non-profit organizations and the government, which are formalized through policies such as tight regulation and supervision of operations, restrictive processes of registration, and mandated reporting and operational procedures that can inhibit nonprofits' autonomy (Coston, 1998). In some cases the policy measures are selective and directed at organizations challenging government's policies, such as human rights organizations. The latter organizations may be perceived as threats to government, having the potential to sway public opinion and undermine compliance with government policies. The articles in this issue demonstrate, however, that such rivalrous relations and restrictive policies can also emerge in places where partnership dominates the discourse (see Almog-Bar in this issue).

This special issue explores recent policy initiatives and changes in the policy environment in which nonprofits operate, and analyzes their implications for the

nonprofit sector and civil society in their relations with government, in different parts of the world. To that end, the issue brings together eight articles that examine policy developments towards the nonprofit sector in a wide variety of countries, namely the United Kingdom, Australia, Colombia, Mexico, Ecuador, Nicaragua, Nigeria, Zimbabwe, the USA, Egypt, Israel and China. These articles offer broad and critical accounts of the dynamic and complex processes of policy change towards the nonprofit sector around the world, of the relations that have evolved with government under these new arrangements, and of the implications of the new policies for the roles of nonprofit organizations. They present important insights into the challenges these organizations face in promoting the interests of vulnerable populations, maintaining their own integrity and sustainability, and in building and strengthening civil society and advancing democracy in their countries. The studies here also examine the implications of policy changes, and particularly partnership policies, for the distinctive character of non-profit organizations and for civil society as an alternative public sphere within which issues of common concern can be debated, new policy solutions created, and influence exerted on the state (Cohen 1995).

The first article, "From Partnership to the Big Society: The Third Sector Policy Regime in the UK", by Pete Alcock provides an overview of the changing balance of state-third sector relations in the UK, emphasizing developments in England. It highlights the notion of interdependence as a way of understanding how these relations have evolved. Recent political discourses and policy publications are referenced to explain shifts in the policy regime under the Labour and Coalition governments in the early twenty-first century, citing both differences and similarities. The analysis situates these regime changes in a broader context of state and third sector relations and a contested conceptualisation of civil society.

The second article, "Government and the Nonprofit Sector in Latin America" by Susan Appe and Michael Layton, explores evolving relations between government and the nonprofit sector in four Latin American countries- Colombia, Mexico, Ecuador and Nicaragua –applying the conceptual lenses for understanding government-nonprofit relations proposed by Young (2006) and Najam (2000). In Latin America, policy debates about civil society legal frameworks are occurring in a context of democratic transition in which the parameters of the public sphere are contested, with governments, political parties, and nonprofits seeking to carve out territory. In particular, civil society organizations advocate for a more favourable enabling environment while government seeks to place restrictions on the activities and legal status of civil society organizations, which it often perceives as rival. The cases presented highlight a mixed bag of regulatory environments. On the one hand, countries have outdated and/or hostile legal frameworks and lingering distrust, misunderstanding and even animosity

between government and the nonprofit sector. On the other, they feature constitutional or legal recognition of freedom of association and the importance of an independent sector. In Latin America the potential for realizing a mutually beneficial government-nonprofit relationship is hampered by extant institutional conditions: outdated legal frameworks; governmental distrust toward and ignorance of the sector; inter-sectoral jealousy, with governments being reluctant to build up the capacity of the sector and nonprofits distrusting the government; and weakly institutionalized states.

The third article, “Governing Civil Society in Nigeria and Zimbabwe: A Question of Policy Process and Non-State Actors’ Involvement” by Grace Chikoto and Kelechi Uzochukwu, traces current public policy trends governing civil society organizations (CSOs) in Africa, and their practical implications. Focusing on Nigeria and Zimbabwe, it articulates the nature of the policies governing the nonprofit sector, outlines the policymaking process, and describes the key actors and the nature of recent policy changes. In particular, the paper considers the nature and impact of the policy controls that govern CSOs in these countries. It appears that a love-hate relationship continues to exist between the state and human rights-based and governance-oriented CSOs, more so in Zimbabwe than Nigeria. There is also continued mistrust of foreign donors, especially when their donations are channelled through human rights-based and governance-oriented CSOs.

The fourth article, “Current Trends in Australian Nonprofit Policy” by Jenny Onyx, Liz Cham and Bronwen Dalton, charts current policy trends that help shape the nonprofit sector in Australia as a key player in a number of sectors, and examines the broader socio-economic forces that influence government policy, as well as the critical response to these forces by the sector itself. In particular, the paper examines successive Australian government attempts to create quasi social services markets through privatisation and competitive tendering, and the impacts of recently reduced funding for community services. Those impacts include effects on sector working conditions and on the size and number of community service nonprofits. The paper also examines experiments with policies related to social inclusion and the establishment of an independent non-profit regulator. In addition, it looks at the emerging legitimacy of a new model of nonprofit – the social enterprise. However, while parts of the sector have embraced the core tenants of neoliberalism and application of New Public Management policy approaches, there has also been some resistance from within the sector to the emergence of a new paradigm.

The fifth article, “NGO Policy in Pre- and Post-Mubarak Egypt: Effects on NGOs’ Roles in Democracy Promotion”, by Catherine Herrold examines the Egyptian government’s evolving policy towards Egypt’s NGO sector and its effects

on those organizations' efforts to support democratic political reform. The January 2011 uprisings that overthrew President Hosni Mubarak seemed to present an opportunity for Egypt's NGO sector to break free from decades of government co-optation and repression and to lead political reform efforts. NGOs did initiate democracy promotion projects immediately following the uprisings, and for a few months it seemed that NGOs would be torchbearers of political reform. By the summer of 2014, however, NGO employees were predicting the looming "death of civil society" in Egypt. The article analyzes the ways in which authoritarian adaptation, through both discourse and policy toward the NGO sector, constrained NGOs' capacities to advance political reform efforts.

The sixth article, "Fundraising Policy Reform and its Impact on Nonprofits in China: A View from the Trenches" by Ming Hu and Chao Guo, focuses on a recent experiment by the Chinese government with fundraising policy reforms in some local jurisdictions, which came after a decade of strict charitable solicitation regulation. This comparative study of two major cities, Shanghai and Guangzhou, examines the nature, content, and scope of the reform and its impact on nonprofit organizations. The archival analysis indicates that the new policies in both cities helped create a more supportive regulatory environment for the nonprofit sector, although they differed in the extent to which policy change departed from the status quo. Somewhat surprisingly, the reform elicited a lukewarm reaction from the nonprofit sector: only a very small fraction of nonprofit organizations actually fundraised under the new policy, and their performance varied markedly. Field work further revealed that many nonprofit leaders had reservations about the new policy. Reasons for these reservations included fragmented policies on nonprofit registration and taxation, a differential authorization system, and weak fundraising capacity of nonprofits.

The seventh article, "Policy Initiatives towards the Nonprofit Sector: Insights from the Israeli Case" by Michal Almog-Bar, describes and analyzes the process of policy change towards the nonprofit sector in Israel since 2000. The process started with a review of policies regarding the sector, and its roles and relationships with the government, conducted by an ad hoc Review Committee established in February 2000. This led to several policy initiatives: in the Ministry of Social Welfare; by a governmental committee to review allocations to the nonprofit sector; and by the Prime Minister's Office, all of which attempted to alter the relations between nonprofit organizations and the government. The analysis reveals that while the policy initiatives have created new forms and forums for dialogue and joint work between main-stream nonprofit organizations and the government, it has not strengthened civil society as an alternative public sphere. Insights from the Israeli case point to a need for more nuanced consideration of partnership policies between government and the nonprofit sector.

The final article, “Making Public Policy toward the Nonprofit Sector in the U.S.: How and Why Broad, “Sector” Interests Are Advanced – Or Not – in Federal Policymaking” by Alan Abramson, explores the paradox of a nonprofit sector that is strongly valued by U.S. citizens but has had only limited success in advancing its own interests in policymaking. That is, the nonprofit sector’s popularity has not translated into significant policy gains, especially in terms of efforts to advance broad, sector-wide interests. Rather, the sector has been much more defensive – fending off attacks on its funding, its right to engage in advocacy, and its ethics – than it has been successful in advancing a pro-active policy agenda. The focus of the paper is mostly on broad “sector” – or sector-wide – issues rather than policy matters that affect nonprofits in only one or a few subsectors. As such, the paper provides an overview of the relatively expansive U.S. nonprofit sector; cites evidence about the sector’s popularity with Americans; discusses the sector’s stake in the policy process; identifies the organizations that represent sector interests in national policymaking and examines their recent advocacy efforts; considers why the nonprofit sector has had only modest policy successes; and offers recommendations about how the sector might strengthen itself in policymaking.

The feature section of this issue offers an insightful review by Myles McGregor-Lowndes of John Casey’s new book, *The Nonprofit World – Civil Society and the Rise of the Nonprofit Sector*. This is especially fitting in the present context, as the book offers a broad description and analysis of the nonprofit sector, world-wide, with a specific emphasis on the growing role of nonprofits in policymaking at the national and international levels.

In sum, the articles in this special issue highlight a rich assortment of ways in which governments model and change their relations with the nonprofit sector, in widely differing environments. Hopefully, these articles will stimulate further learning about policies towards nonprofit organizations and their implications for civil society, in different institutional and cultural contexts. More work is certainly needed in order to better understand the impact of new policies on the distinctive character of nonprofit organizations, on their relations with government on the national and local levels, and on their capacities to serve and represent their constituents.

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