

The Limits of Nonprofit Sector Resilience: Evidence from Canadian Nonprofit Sector Surveys During the Pandemic

**John Shields (Toronto Metropolitan University (TMU)),
Meghan Joy (Concordia University), Siu Mee Cheng (TMU &
Street Haven Shelter)**

6th International Conference on Public Policy

June 27 to 29, 2023

Toronto

**Toronto
Metropolitan
University**





Limits on Nonprofit Resilience

Preface

Introduction

- Obvious strains of the COVID-19 pandemic crisis
- But nonprofit sector less publicly visible in the crisis given other centres of attention
- Yet, in the neoliberal era service providing nonprofits increasingly act as a residual social safety net – they are critical sources of supports
- Sector was in crisis with closure of most direct front facing service delivery as the sector struggled to shapeshift to online delivery and eventually hybrid forms of delivery

Limits on Nonprofit Resilience

- The immediate “triple threat” of “revenue loss, office closures and service cancellations, and human resource challenges” (The Philanthropist 2020).
- Nonprofit sector known to be innovative and resilient
- But, also a ‘precarious sector’ as it is chronically under resourced (the paradox of resilient but precarious)
- COVID-19 crisis as the great revealer exposing the tension between resilience and precarity in the sector
- Crises tests the limits of sector capacity and tests legitimacy of neoliberal claims regarding sector’s ability to replace much of the state’s social welfare role



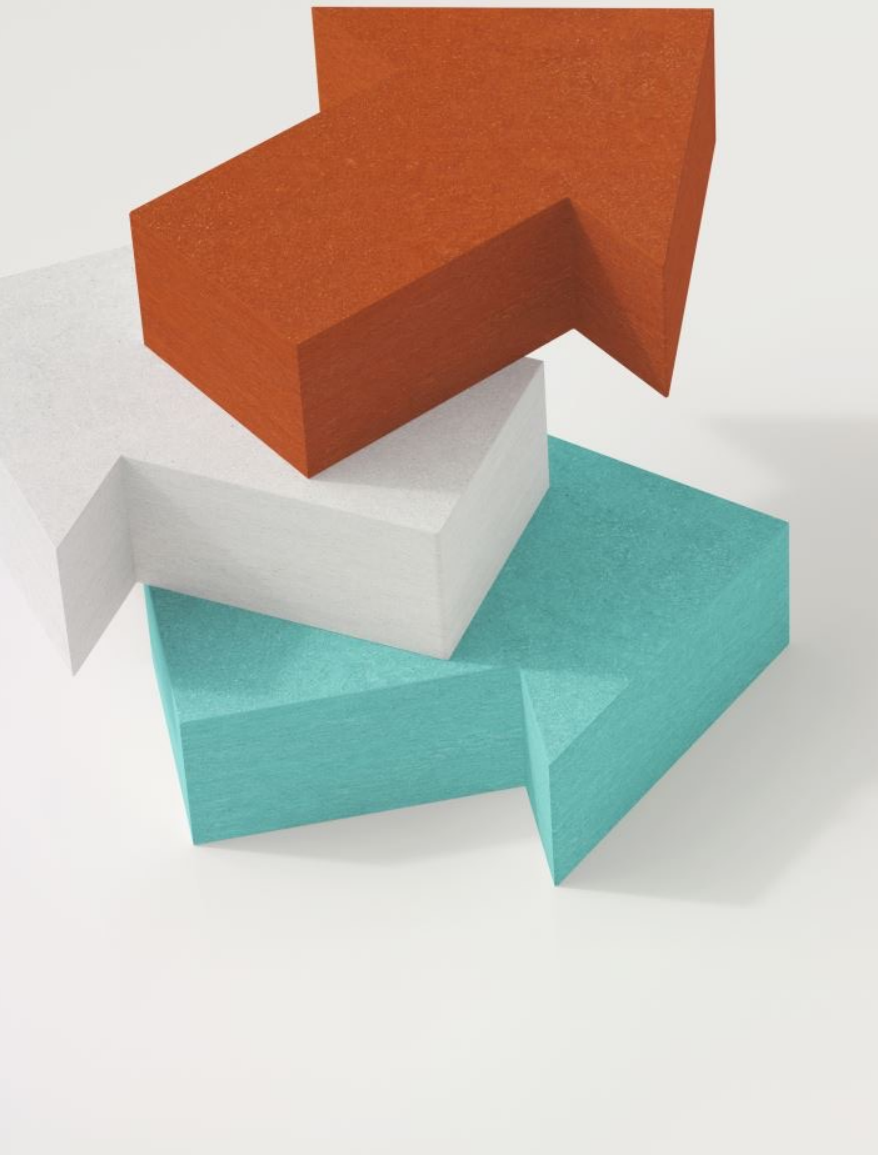
Limits on Nonprofit Resilience

- Allows us to draw policy lessons regarding capacity limits of the sector
- The pandemic demonstrated need to ‘bring the state back-in’ and dangers of the neoliberal policy of austerity
- To ‘build back better’ requires true partnering between the state and the nonprofit sector, and greatly enhancing the sector’s capacity

Methodology - Case

- Examining survey material of the Canadian nonprofit sector (particularly the social, human and health service component) during the pandemic (2020 -2022), 45 documents; to assess the state of the sector and consider its state of resilience and precarity under crisis

Resilience and Precarity as Conceptual Themes



- Draw upon the contrasts and dynamics between resilience and precarity under neoliberalism
- Resilience defined as the ability to withstand, adapt, and recover from shocks/crises
- Precarity is about insecurity, uncertainty, and vulnerability
- Neoliberalism maintains that precarity drives resilience in the nonprofit sector (the sector is celebrated for its lean model of operation in contrast to the bloated state)

Limits on Nonprofit Resilience

- The sector is expected to ‘resiliently endure’ and adapt to hardships and continuously ‘do more with less’
- Neoliberal restructuring of society and its ‘shrinking of the state’ is premised on such ‘everyday nonprofit sector resilience’
- Neoliberalism’s model of everyday nonprofit sector resilience has constructed/manufactured nonprofit precarity for the sector, as it is squeezed to become ever more ‘efficient’ by:
 1. Reducing costs,
 2. Increasing self-sufficiency, and
 3. Taking up more responsibility to address expanding societal needs resulting from a shrinking state and expanding social polarization
- The neoliberal approach to resilience raises questions regarding its sustainability and it inherently regressive



Limits cont'd...

- Resilience is not just about the ability to rebound back to a pre-crisis position but also about the sustainability of this adaptability over the longer term (Brunnermeier 2021, 19).
- A question of whether the nonprofit sector has been structurally weakened by the pandemic, in combination with the negative impacts of years of operating under everyday neoliberal resilience, compromising the ongoing capacity of the nonprofit sector
- We have been dominated by neoliberal conceptions of resilience
- Resilience is also be about “bouncing forward” into a new progressive policy paradigm and practice (Golubchikov and DeVerteuil 2021)

Limits on Nonprofit Resilience

- The promise of building back better and the question of whose politics of resilience and needs would be recognized and prioritized in the process of recovery and rebuilding (Meerow and Newell 2019).
- Progressive notions of resilience are rooted in collective forms of support and solidarity captured in the idea of social resilience and transformative resilience (Preston et al. 2022).
- For the nonprofit sector, progressive social resilience must be constructed upon a stable and fair funding base, true partnerships with the state that respects sector autonomy, and a recognition and respect for the social justice missions of nonprofit organizations that informs public policy.

State of the Nonprofit Sector at the End of the Global Pandemic



- Nonprofit social, human and health organizations clearly demonstrated dedication to their missions and showed considerable resilience under stress in their ability to perform their service mandates in large part by shapeshifting to virtual forms of delivery.
- But this was made possible, in most cases, by governments providing continuing funding for programing and a general easing of NPM accountability measures during the pandemic (case of immigrant settlement services).
- COVID-19 pandemic was the biggest crisis since the Great Depression of the 1930s. The scale of the crisis required immediate state intervention (bringing the state back in). Governments at all levels acted and cooperated to address health protection and safety issues and embraced a wide-ranging set of measures to mitigate social and economic dislocations resulting from the crisis.

Post-pandemic nonprofit challenges



1) A PRESSING SHORTAGE OF PAID NONPROFIT PERSONNEL (HR CRISIS AND PANDEMIC BURNOUT) – WORKERS LEAVING THE SECTOR FOR BETTER OPPORTUNITIES: THE “GREAT RESIGNATION” OR “GREAT RESHUFFLE” (RODNEY 2023A).



2) AN ACUTE SHORTAGE OF VOLUNTEERS.



3) AN INFLATIONARY SHOCK.



4) RAPIDLY INCREASING SERVICE DEMANDS ON AN ALREADY OVERSTRETCHED SECTOR. EMERGING ‘SOCIAL DEFICIT’ OF \$26 BILLION BY 2026 (IMAGINE CANADA 2018).



5) FUNDING LEVELS AND FUNDING MODELS FOR THE NONPROFIT SECTOR ARE INADEQUATE AND ILL SUITED TO THE SERVICE ROLE THEY HAVE BEEN EXPECTED TO PERFORM. BASED ON LATE 2022 SURVEY DATA, FEWER THAN HALF OF NONPROFITS (45%) REPORTED THAT FUNDING LEVELS WERE EQUIVALENT TO PRE-PANDEMIC LEVELS, AND FULLY 31% SAID THEIR FUNDING WAS BELOW THESE LEVELS (CANADAHELPS 2023).

Conclusion

- Without the services provided by the sector during the pandemic, lives and social functioning more broadly were at stake.
- Canadian nonprofit sector is locked into a pattern of neoliberal resilience, doing ever more with less and unable to build up reserve capacity. This is an unsustainable form of resilience and is falling on the backs of labour that is ever more precarious.
- We are increasingly in a high risk and crisis prone society (with much of that risk shifted onto the nonprofit sector to manage).
- Leaner sector built on ‘just in time resilience’ – is ill suited to the task
- We need to transition to a ‘just in case’ approach to sustaining support that can build a progressive form of resilience to address the “crises to come” (World Economic Forum 2023, 9) and manage increasing demands.