

Red tape throttles charities

By Carol Goar, Toronto Star

Well-run charities used to take pride in their low administrative costs. By running their operations on a shoestring, they could ensure that every possible dollar went to those who needed help.

Then Ottawa came along.

First, the government induced voluntary groups to accept public funds to deliver services it once provided — job training, settlement assistance for immigrants, support for the elderly, programs for troubled kids.

Then, having hooked these organizations on federal grants, it began imposing onerous reporting and accounting requirements. Next, it cut their funding while demanding the same level of service. Finally, it required them to raise "matching contributions" in order to get government money.

While charities struggled to cope with these challenges, Ottawa delivered its crowning blow. The Department of Human Resources and Skills Development adopted a new contracting process that forced the non-profit groups to compete with one another and private-sector applicants to deliver social services.

That was 17 months ago. Since then, everyone from Toronto Mayor David Miller to an all-party parliamentary committee has pleaded with the government to stop undermining the community service sector.

So far, there has been no response.

Tired of waiting, the Community Social Planning Council of Toronto convened a meeting of local activists last week to brainstorm.

More than 200 representatives of non-profit groups showed up at Metro Hall to vent their frustration and hatch a plan to fight back. New Democratic Party leader Jack Layton was there, as were Liberal MPs Allan Tonks and Maria Minna.

Human Resources Minister Belinda Stronach, who represents the riding of Newmarket-Aurora, was not.

Several things became clear in the two-hour session:

- The first was that senior bureaucrats at human resources headquarters had imposed the new bidding system over the objections of their own employees. "Our project officers have known since last summer that this was a bad process," said Alan Lennon of the Canadian Employment Immigration Union. "The department ignored us."

- The second was that Liberal backbenchers had tried, without success, to rein in their own government. "I have raised the issue consistently at the Toronto and Ontario caucuses," Minna said. "I can't tell you how heartbroken I am, as someone who spent 20 years in this field (she was president of an immigrant services organization, a director of the United Way and active in many community groups), to see what we've done."
- The third was that Stronach, who's been minister of human resources for two months, is aware of the problem. She has been briefed by the officials who implemented the policy and lobbied by MPs who want it scrapped, or at least redesigned. Whose advice she will take remains to be seen.

Even if Stronach were to adopt a more benign approach, it would be hard to undo the damage her department has done.

Several of Toronto's most innovative social service agencies — the Working Skills Centre which provides job training to immigrant and refugee women; the Gateway Café, which helps at-risk youth find work; the Davenport Perth Neighbourhood Centre, which runs an employment resources centre; and the Scarborough Storefront, which offers counselling, legal aid and job search assistance — are hanging on by their fingernails. Other community groups have changed so much to meet Ottawa's demands that their former clients have fallen by the wayside. "We can't win this struggle by being co-operative and reasonable and rejigging our programs until they're unrecognizable," said Janet Dassinger of the Labour Education Centre, which offers literacy courses to non-English-speaking immigrants and laid-off workers.

Even agencies that have managed to hold fast to their mandate while delivering government services are spending so much time drawing up proposals, filling out government forms, justifying their expenditures and seeking private funding that they've become administratively bloated.

The participants at last week's meeting decided that their best hope was to combine their individual complaints into a concerted pressure campaign.

They drafted a letter to Stronach, urging her to review her department's funding procedures "to ensure that they are meeting community needs rather than forcing communities to fit HRSDC's arbitrary criteria." They hope to have at least 100 signatures by the time Parliament reconvenes on Sept. 26. (It has already been signed by 20 community agencies and 13 city councillors.)

They agreed to call, fax and e-mail all Toronto-area MPs and urge them to go to bat for the community agencies in their riding. Minna said she would arrange a meeting for community activists with Stronach. Layton, whose party put this issue on the parliamentary agenda last spring, promised to keep speaking out publicly and trying to negotiate improvements privately.

None of this would be necessary, had Ottawa treated its community partners with respect in the first place.

If the government's aim is to make charities more like itself — rigid, bureaucratic and overmanaged — it is succeeding beautifully. If it wants to serve the public, it has a mess to untangle.