
GOOD FORMS: THE NEW SHAPES OF NOT-FOR-PROFIT ORGANIZATIONS

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HAVE YOU EVER WANTED TO CHANGE YOUR SHAPE? IT SOUNDS APPEALING IN a fantastic, Harry Potteresque kind of way. How about the shape of your organization? Have you ever thought of a wholesale change – of eliminating the committees, of changing the Board? One doubts J. K. Rowling would have fared so well had she pursued this plot angle. Organizations do change their shape from time to time – whether by tinkering with governance or by launching a massive restructuring to stave off destruction – but the thought is migraine inducing for most not-for-profit leaders. The word “restructuring” has come to signify the wholesale firing of employees. Establishing a new organization embodies hope, but “restructuring” an existing one is frequently associated with failure.

Let’s approach it a different way. Are Canada’s not-for-profit (NFP) organizations, by and large, optimally structured? Are new organizations forming in new ways, and if so, why? To the point: can changing “organizational forms” enhance performance, and is the gain worth the pain? These are the questions that this article seeks to answer.

The proclamation of the Canada Not-for-profit Corporations Act (CNCA or the Act) in October 2011 has focused the attention of sector leaders on matters of governance. Meanwhile, regulatory pressures continue to mount and funding is harder to come by than ever before. Can structural alterations help NFPs cope? At the margins, new NFPs with innovative forms continue to sprout, and each new form is, as we shall see, a tiny act of rebellion. Does it pay to be different? A look at the risks and rewards of innovative NFP forms can help us consider options for our own organizations, and also tell us something about the state and future of Canada’s NFPs.

ORGANIZATIONAL BEHAVIOURS AND FORMS: A PRIMER

An organization is commonly defined as a group of people united by a common purpose, and the organizational form can be defined as the structure of inter-relationships that facilitates the attainment of that purpose. These relationships establish the division of labour that is foundational to organizations: groups form to accomplish what individuals cannot. Primitive organizations were power-based with hierarchies of control – think kings, nobles, freemen, and serfs – and some modern organizations still operate that way. More advanced, bureaucratic organizations are rules-based and depend on laws and codified policies to maintain order and promote efficiency. Over the last century and a half, the ascendancy of liberal, humanist values has resulted in a progressive

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turning away from rigid, overtly power-based “command and control” models of leadership and toward models that attempt to balance top-down control with agency and self-determination for individual workers. Contemporary business organizations may have bosses, but most also have semi-autonomous divisions, flexible work teams, corporate retreats, and planning sessions in which open speech and creativity are prized, at least nominally. Leaders try to remain current with ideas of “transformational leadership,” “management by values,” and other trends. The challenge in maintaining productivity is to find the sweet spot where central control is balanced with individual agency.

This balancing act has fascinated scholars, who have been attracted to the study of organizations and their forms for many years, or many centuries, if we consider Plato’s *Republic* or Machiavelli’s *The Prince* as treatises on organization. While contemporary Organization Studies scholars haven’t been any more successful than other social scientists in predicting group behaviour – individuals are too idiosyncratic and contexts too variable – they have generated a fairly robust set of observations on the forces that influence organizations and their structures. Some of these basic perspectives inform how and why organizations are structured:

- Power/dependence: No surprise here. Persons or organizations in a position to bestow or withhold resources can influence or control those in need of those resources. Funding agencies hold a powerful sway over the behaviour of not-for-profit organizations, while superiors in the organizational hierarchy can, to an extent, control underlings.
- Institutions: Organizations tend to “herd” toward similar structures and solutions to common challenges. As any consultant (I am one) knows, a prevalent question in most planning sessions is “What can we copy from the (supposedly) best-in-class?” The herding instinct betrays a degree of risk-aversion – it’s always easier and sometimes safer to copy than to innovate. Over time, the tendency to unquestioningly copy and retain routines allows them to harden into unbreakable traditions. This is the concept of institutional effects, the “taken-for-granted beliefs that arise within and across organizational groups and delimit acceptable and normative behaviour for members of those groups” (Elsbach, 2002, p. 37). In other words, in the search for legitimacy, safety, and efficiency, organizations adopt solutions that eventually become rules and traditions.

Some aspects of institutionalization are driven by power/dependency relationships, for example when government requires a specific form of governance to be eligible for incorporation. Others are “mimetic,” the result of copying pre-existing structures or policies. Over time the result may be legacy committees, policies, and outmoded and obstructive ways of doing business, all of which conspire to cloud the ability to conceive more creative approaches. Yet institutions are not all bad: following templates and examples can be efficient, save countless hours of unproductive experimentation, and confer legitimacy within a circle of like-minded organizations that prefer to work with organizations similar to themselves.

- Networks: Humans all live in social networks: webs of friendship, communication, and obligation that we draw upon for knowledge and opinion. Research

shows that the effects of our network ties are more influential than we may think, extending at least three degrees of separation. What our friends' friends think, even if we don't know them, has a relatively powerful effect on our opinions and decision-making (Christiakakis & Fowler, 2009). Moreover, network membership tends to be homogenous: people tend to choose similar others to network with, an effect similar to the "herding" seen in institutional effects.

It's easy to understand how networks and institutional effects are related: within a given network there is a finite amount of knowledge, typically reflecting a similarity of views and often a predisposition to favour the "tried and true" as understood within the culture. For example, pressure for emerging NFPs to incorporate as a tactic to obtain sustaining funding is transmitted across a network. Selecting from among the limited options that may seem to be available, as influenced by the normative power exerted by government and funders, results in an organization that looks like others within its field – a "typical" NFP. In a sense, networks are the transmitters of institutional DNA.

Power, institutional effects, and networks can influence organizations and their forms in ways that their leaders may not be aware of. The newly proclaimed CNCA provides a case in point. While Industry Canada asserts that "the objectives of the proposed regulations are to implement modern corporate governance rules for not-for-profit corporations" (Industry Canada, 2010, para. 3), the Act serves to institutionalize the representational-democratic governance model as the normative form. The new Act is in part an effort to curb abuses by self-serving Directors, by strengthening member powers to approve significant changes to the corporate form, and by adding record-keeping and filing requirements to facilitate oversight (or "accountability"). To incorporate, NFPs must demonstrate governance by member-elected Directors, whose specific qualifications, operational actions, and procedures for election, removal, and replacement are regulated by the Act. Some outdated restrictions have been eased, but other regulations have been added. Strengthening the hand of members (and coincidentally the State) to control Directors of Canada's NFPs may indeed enhance the perceived legitimacy and credibility of the sector, but the net result is that there is one way, and only one way, to structure a federally incorporated NFP.

NFP SOCIOLOGY 101

The examples of organizational behaviours presented above (power/ dependence, institutional, and network effects) are found in for-profit and not-for-profit organizations alike. However, not-for-profit organizations exist in a different legislative and ethical context than for-profit corporations. Academics studying the "sociology of NFPs" (DiMaggio & Anheier, 1990) trace their roots to the rise of social groups in the 19th century when social elites formed NFPs to advance "social goods" that would not be supported by a marketplace intent on profit. Early in the 20th century a new class of professionals, including doctors, engineers, and academics, sought participatory democratic governance models and service orientations for their associations. Later in the 20th century, western governments conferred "third party government" status on NFPs, delegating and funding state-mandated social programs on a contract basis, and supplanting private donors as the largest source of NFP revenue. Each of these successive

waves contributed to the shaping of NFPs as we know them today: frequently governed by members of the professional class intent on “good works,” yet funded and evaluated by government against attainment of public policy objectives. These tangled roots contribute to the current structures of NFPs as well as to the awkward public space they inhabit. As instruments of public policy and beneficiaries of the public purse, NFPs are subject to state control and regulation. At the same time, a leadership commitment to liberal social traditions practically guarantees they will bridle at that control and attempt to maintain a stubborn independence from state and for-profit corporatist agendas alike.

The reactions of the public, the NFP sector, and the government to abuses by certain charities in past years, and history itself, have shaped the current legislative environment, including the CNCA. It is the CNCA that prescribes what a NFP may look like. Indeed, many sector leaders may find themselves challenged to imagine NFP forms different than the one prescribed by the Act. For government, and by extension, for foundations and private funders that limit their support to incorporated NFPs, “outside the Act is no salvation.” Innovation in governance seems marginalized, risky, and perhaps even a little subversive. So why not just go with the flow?

TIDES CANADA: SHARED PLATFORMS

There are some very good reasons not to go with the flow. The legal requirements for incorporation, including structuring, filing, and reporting, demand that a fair degree of time, energy, and cost be sunk into governance and financial work. In essence, the legislative framework for Canada’s NFPs stacks the deck so that an organization needs to be incorporated to qualify for many types of funding, and the organization then needs employees, possibly including an Executive Director, simply to stay on top of the fiduciary and legal obligations. Only relatively large, organized, wealthy NFPs can afford to maintain that level of structure: in 2003 the Cornerstones of Community Report noted “the larger the organization is in terms of revenues, the more likely it is to report increased revenues, a growing number of volunteers, and a higher number of paid staff in 2003 than in 2000” (Statistics Canada, 2004, p. 10). The legislation creates a standard that is difficult for small organizations to meet, requires administrative skills that many community-based volunteers lack, and diverts time and energy away from the cause – all factors that tend to dampen the growth of new NFPs while conferring an advantage on the largest and best organized.

By the 1970s rapid growth in the North American NFP sector triggered a new need for brokerage between emerging, small, limited-capacity NFPs on the one hand, and charitable donors seeking well-managed, impactful NFPs on the other. An early leader in meeting this need was San Francisco’s Tides Foundation, founded in 1976. Tides quickly became an incubator for social innovators and their projects, and shortly thereafter a provider of shared office spaces and a “fiscal sponsor” for NFPs. Fiscal sponsorship is simply the provision of financial, human resources, payroll, and other management services to NFPs in order to allow the NFP to focus on their core social agenda. In 2004 Tides, along with other similar fiscal sponsor organizations in the United States, formed the National Network of Fiscal Sponsors to further develop the “relatively unknown, and greatly misunderstood, field of fiscal sponsorship within the nonprofit sector” (Tides Canada, n.d., para. 2).

Tides Canada was inspired by, although is legally and administratively separate from, Tides Foundation and Tides Centre in the US. Tides Canada's mission, "to provide uncommon solutions for the common good by leading and supporting actions that foster a healthy environment and just Canadian society" (Tides Canada, 2012, para. 1), is operationalized in similar ways to Tides US: by acting as a convener, facilitating partnerships, enabling start-up NFP projects, and "providing philanthropists with tax-efficient vehicles and solutions to amplify the impact and efficiency of their giving" (Tides Canada, 2012, para. 2). A 2010 article by David Stevens and Margaret Mason in *The Philanthropist* outlined a model that Tides Canada Initiatives (TCI) called

"Charitable Venture Organizations," encompassing ... internally generated projects performed by TCI employees or contractors, externally generated projects "adopted" as TCI projects and performed by TCI employees or contractors, and the housing of community collaborations. All support services including accounting, financial, human resources, telephone, email/Internet/website, and regulatory compliance are provided by TCI. A portion of TCI's administrative overhead cost for such support is allocated to each project, and each project must generate sufficient revenue to cover its expenses. In essence, each project is unitized within TCI. Short term projects generally stay within TCI for their duration; longer term projects may develop sufficient capacity to transition to a stand-alone entity separate from TCI. (Stevens & Mason, 2010, p. 100)

Tides Canada and the authors preferred the term "Charitable Venture Organizations" to "fiscal sponsors," feeling that the US term gave the misleading impression that funding was provided to sponsored projects. The new term didn't stick, and Tides Canada now speaks of "shared platform organizations" (J. Witt, personal communication, July 18, 2012). Whatever the title, the aim of a shared platform is to provide infrastructural support to social and environmental projects, reducing the administrative load on community leaders while simultaneously increasing the project's credibility and opportunities for support. Jillian Witt at Tides Canada Initiatives describes it this way:

The exciting thing is that people who are passionate about their cause, can focus on it and don't have to manage the operations alone. We want people to understand we are not a flow through. Projects are part of us, but they maintain some of their own branding and have their own steering committee and some local control. (J. Witt, personal communication, July 18, 2012)

This is the crux: projects are adopted by Tides Canada and therefore do not incorporate as independent entities. With the support of the shared platform, the project's leaders can focus on making a difference on the ground, but they must apply, be vetted, and approved, to meet the mission and standards of Tides Canada. There is risk on both sides, but perhaps the greater risk is held by Tides Canada as the fiduciary. If for example, despite a thorough screening, project leaders undertake activities contrary to charitable regulations, Tides Canada will be left scrambling to explain its support of the project to various agencies and stakeholders. Yet the power to foster true social innovation and impact, led by those who might otherwise not overcome the institutional hurdles, is exciting. Witt, again:

It's really changing what leadership looks like in the sector, away from the traditional Executive Director with long experience plus a degree toward an opportunity for people with lived experience to take a lead. [An] example is The Base, one of our projects – the Director works with three youth-led initiatives, working on community gardens, engaging youth through music ... these are initiatives young people are starting. I don't know that could happen without flexible models willing to support leadership. (J. Witt, personal communication, July 18, 2012)

FROM PLATFORMS TO CONSTELLATIONS

Shared platforms most commonly support start-ups: social entrepreneurs with big ideas but small capacity. There is a different way for mature, incorporated organizations to launch a new initiative, partnership, or short-term project, called the “constellation model.” The term “constellation” was advanced by Tonya and Mark Surman (2008) – Tonya is currently Executive Director of the Centre for Social Innovation in Toronto – and I will use it in preference to the alternate phrase “network model” to avoid confusion with the social network effects mentioned above.

Surman and Surman (2008) define a constellation as a governance model for multi-organization partnership. Essentially, a common need or goal mobilizes a number of organizations to set up a new group with a shared vision working under a flexible partnership agreement. The authors list a number of key conditions for constellation success. A constellation is “permeable,” meaning organizations can participate freely, taking and giving according to need, interest, and capacity, and entering and leaving as it suits them. Secretariat leadership is vested in “a highly skilled and discriminating person who embodies collaborative leadership” (Surman & Surman, 2008, p. 26). Constellations endure as long as they are relevant; when the collective goal is achieved, the authors argue for creative destruction in favour of new constellations. In brief, constellations are like SWAT teams formed as a flexible, temporary means of achieving a mutual goal (Surman & Surman, 2008).

In practice, a constellation can look like anything from a sophisticated multi-partner collaboration to a simple community of practice. Take for example the Sport Matters Group (SMG), which grew from brown bag lunch meetings by a few sport leaders to become a leading sport advocacy agency. Beginning in 2000, the informal meetings quickly revealed a need and an opportunity, and by 2001 SMG had formed, settling by consensus on its current structure: a “senior leader” instead of a CEO or executive director and collaborative support from its community in lieu of incorporation and membership fees. While the primary focus of SMG is to provide sport and recreation input to government policymaking, it has continued to use its resources to pursue a broad range of research and partnership-building initiatives, led by individuals recruited on the basis of their expertise and ability, termed “early leaders” in their areas. A primary role in the early years was their behind-the-scenes shaping of the 2002 Canadian Sport Policy, but other early tasks included strengthening linkages between the sport and recreation communities and building linkages with other non-sport voluntary sector organizations. Ten years later, SMG played a more public role in gathering sport community input and brokering dialogue between sport and government to contribute to the new 2012 Canadian Sport Policy (Jurbala, 2010).

Today, SMG continues as an unincorporated “un-organization” with a staff of two (the senior leader and a community engagement manager) in a rental space donated by a contributor. Business affairs such as finances and contracts are managed on behalf of SMG by another organization, while another provides website support and hosting. SMG differs from a shared platform model in that rather than acting as a “project” of a single platform agency, separate member-contributors club together to provide administrative support. Over 40 contributors generate about \$150,000 annually in donations to keep the organization going, and grants are occasionally and selectively obtained for sector development work (Sport Matters Group, 2007). However, SMG faces challenges partly of its own making: its success in advocating for increased federal funding to sport in the run-up to the 2010 and 2012 Olympics may have led national sport organizations, which have been the key members of SMG’s collective, to become complacent and gradually contribute less to the SMG cause (C. Jones, personal communication, June 20, 2012.)

The Ontario Nonprofit Network (ONN), organized in 2007, is a hybrid: a constellation resting on a shared platform. Like SMG, ONN formed to provide a collective voice for Ontario NFPs on matters of public policy, in particular on proposed changes to the Ontario Not-for-Profit Corporations Act. Typical of a constellation form, ONN has a steering committee of six NFP leaders, an advisory committee representing approximately 30 NFPs, and a network of over 6,000 contacts. Essentially it provides established, incorporated NFPs a joint advocacy arm. However unlike SMG, the ONN is a project of the Centre for Social Innovation, which acts as the shared platform.

I spoke with Lynn Eakin, Policy Director for the ONN and consultant in the NFP sector for over 20 years, about developments in NFP organizational forms. Lynn is a forceful advocate, who sees antiquated regulations as a significant obstacle to social innovation and entrepreneurship in Canada and holds up shared platforms as one solution. “I think shared platforms [are] the biggest advance since NFPs came to be,” says Eakin.

If you think about what the nonprofit sector does best, we have a tradition of citizens seeing what needs to be done and mobilizing to do it. If you talk to the Canada Revenue Agency they’ll tell you there are far too many charities and organizations, and [now] it’s so complicated to incorporate ... you need a track record, a five year plan, [you are encouraged to] adopt the pre-set charitable objects ... all with the intent of slowing the proliferation of NFPs. You don’t see a similar move in business, where people applaud the small entrepreneur. You have all these regulations that sap all the energy, [but] the shared platform allows new organizational forms to grow. New forms aren’t as hierarchical or linear, and the regulations don’t allow for that very well. The shared platform takes away all the organizational issues and allows groups that have a cause to get on with it ... they get support, governance, policy, insurance ... without having to spend energy doing it. (L. Eakin, personal communication, July 18, 2012)

FROM CONSTELLATION TO CO-OP

So far we’ve seen two new NFP organizational forms. In the shared platform model, an incorporated patron organization takes on social “projects” and provides infrastructure and fiduciary management, satisfying legislated requirements while freeing the project

leaders to, in effect, operate a NFP without incorporating it. This means the project leaders can focus their energy on the cause and let others focus on legal requirements. The shared platform model seems especially appropriate for social entrepreneurial start-ups. We've also looked at the constellation model, in which a group of mature, usually incorporated NFPs create a form of partnership to provide direction for a spin-off or special project. The constellation partners typically share the fiduciary responsibility among themselves, again freeing the project to focus on the mission. Both models can be seen as ways to circumvent onerous fiduciary and reporting responsibilities by delegating those duties, and the related risks, to willing partners.

The third model to consider is the co-operative. A co-op is positioned between for-profit and NFP, and typically represents a collective of small players who band together to compete with larger interests. In most Canadian jurisdictions, the legislative framework for co-operatives is separate from both NFPs (called "Societies" in some provinces) and for-profit corporations. While there are agricultural, worker, member, and multi-stakeholder co-operatives, all tend to subscribe to a basic set of principles: voluntary and open membership, democratic member control, economic participation by members, autonomy and independence, commitment to education training and information, support for cooperation among co-operatives, and a concern for community (Service Alberta, n.d.).

An interesting example is Edmonton's Multicultural Health Brokers Co-operative (MCHB). Twelve immigrant women who had worked together to support perinatal care in their own local communities since 1992 formed the MCHB Co-op in 1998. It has grown to 54 workers and a \$2 million annual budget today. As a worker co-operative, the MCHB is jointly owned by its members, who are immigrant and refugee workers and members of the communities they serve. Many are highly educated and skilled professionals, whose credentials are not recognized in Canada, and/or trusted leaders with extensive networks and skills in community development. They are front-line service deliverers and community developers as well as joint owners and operators of the co-op (Saskatchewan Co-operative Association, n.d.).

I spoke with one of the founders, Yvonne Chiu, and asked her why the group had chosen to register as a co-operative rather than a traditional NFP.

Co-ops work really well for marginalized people. People group together to support each other. We wanted to have direct community accountability, to work in and draw from our own communities. We are explicitly trying to be directly accountable to community, not to government – one is responsible to one's source of funding. We also became a workers co-op to maintain a flat democratic structure, so we [could] work with the realities of our community, and bring community needs back to the organization to anchor our work. (Y. Chiu, personal communication, August 15, 2012)

There are disadvantages. The MCHB is a social enterprise, not a charity, and it is not eligible to receive charitable funding. Chiu also cited a basic lack of understanding about the nature of worker co-operatives as a barrier: "Government agencies are not very familiar with co-ops, and they are often worried about conflict of interest, while as practitioners we look for a convergence of interests. ... We can't get charitable funding so we

try to set up contractual relationships with government.” However, 20 years in, Chiu is not only undeterred but believes she has found a better way to work, saying

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We struggle a lot ... we work all day and come back in the evening to run the organization. We have to take time to understand each other, to make policies that are good for all workers, to build trusting relationships. We have to be an intentional community, to maintain and build trusting caring relationships. It is a paradigm quite different from the rest of the world ... it can be hard to work in such a different way. But what we hear from our workers is that they have been transformed and became better human beings by working in this way. (Y. Chiu, personal communication August 15, 2012)

THE FUTURE OF FORMS

While preparing this article I was engaged in strategic planning and governance renewal for one of Canada’s smaller national sport organizations. A perennial challenge for the group, which only has one full-time employee, has been finding volunteers to be the arms and legs of the organization. In preparing a presentation for their annual meeting I described the dilemma: “How do we open up governance to get more people involved in decision-making, and simultaneously transition to the new CNCA?” The emphasis on member rights in the new Act means even “non-voting” members can vote on matters fundamental to the organization, so, from a legalistic perspective, the safe thing to do is to limit membership. The organization needs more hands yet is paradoxically driven by the provisions of the new Act to limit membership and concentrate power. This exemplifies the way institutional pressures and power dynamics can put NFP leaders in conflict. How to meet basic survival needs while trying to conform to institutional expectations and legislative requirements?

New NFP organizational forms partly arise in response to these tensions. The state seeks to control NFPs through legislation and policy, while potential funders make NFP incorporation a prerequisite for their support. Their aim is to minimize risk of mismanagement and misappropriation of funds, and simultaneously to avoid the embarrassment of supporting groups with aims contrary to the funder: he who pays the piper calls the tune. Yet trying to constrain social innovation is like squeezing a balloon – new forms pop out between one’s fingers. In a review of new organizational forms, Hayagreeva Rao, Calvin Morrill, and Mayer N. Zald (2000) characterize the process of creating new forms as political projects requiring collective action: since new forms tend to de-institutionalize existing ones, they are resisted and have to fight to gain legitimacy. Every innovation faces this initial birth-struggle.

The new forms reviewed here are all creative functional solutions to the challenge of maintaining effectiveness and mission focus while avoiding the entanglements of red tape. Each is also, in its own way, an opposition to the normalizing effect of incorporation legislation. I suggested to Jillian Witt that new forms were intended to be transitional, with embryonic groups expecting to pass through a brief shared platform stage on the way to eventual autonomous incorporation, or with mature incorporated NFPs creating constellations as a way to accomplish short-term projects without having to jump unnecessary legal hurdles. She set me straight:

Absolutely, at first we thought we would be an incubator, the organizations would “grow up” and move out on their own. But we, and the Americans, have learned that groups don’t leave. Some grow, some dwindle or run out of funding ... I think only one incorporated, out of about 60 projects, and left to go on its own. (J. Witt, personal communication July 18, 2012)

This suggests that over time successful new forms become “good practice,” are copied by others and move into the mainstream. However that will depend not only on their success but also on promotion through networks and acceptance by interests having the power to either foster or eliminate them. Activists may advance new forms but legitimization by powerful interests is necessary to establish them. For example, Sport Canada and elected officials needed to signal their interest in working with SMG in order for it to become legitimized and firmly established. Because SMG looked like a solution to the bureaucratic problem of effectively obtaining collective input from a fragmented sport sector, it was welcomed, when a cold shoulder could have just as easily doomed it.

It could be a boon to social innovators if NFP leaders and government policymakers had a greater understanding of the organic nature of NFP organizational development and their power to nurture creative growth within the sector. The power of the state is usually directed toward maintaining control, enforcing accountability, and sometimes at punishing social groups perceived as radicalized or politically inexpedient. In the case of the new CNCA, the political interest of the state to support “third party government” via low-cost, volunteer-led, community-based social solutions is parallel and intertwined with its need to control and constrain the growth of the NFP sector. Lynn Eakin is challenged by her need to inform and educate policymakers and elected officials about the importance of enabling legislation, seeing Canada as “one of the few countries that has not revamped its charitable objects. Canada Revenue Agency is in charge, we don’t have a charities commission ... shared platforms allow for creativity in a sector strangled by antiquated regulation.” (L. Eakin, personal communication, July 18, 2012). Even benign indifference by government to emerging collaborative forms allows them to germinate and provides an opportunity to learn from their experiment. We can’t cookie-cutter “best practices” if we don’t first allow them to grow.

Benign indifference can be a lot to ask. In the past decade a number of charities and NFPs have been de-funded by Canadian governments, and in some cases the motives have clearly been political. Groups supporting innovation in organizational forms, such as shared platform organizations, can sail close to the edge when one of their projects proves unpopular with the powers that be. As long as government continues to be the major sponsor of the Canadian NFP sector, this tension is unlikely to abate. Yet governments can have progressive impulses and these can be recognized and reinforced through NFP sector support. British Columbia currently encourages social innovation through support for the BC Social Innovation Council, which in May 2012 released a set of recommendations to government intended to facilitate social innovation, including the introduction of tax credits and bonds to facilitate social enterprise and the creation of other legislative supports for the sector. While the recommendations do not explicitly call for a broader range of structural options for NFPs, they do call for support for “social innovation labs and design processes from around the world [to] begin to apply them to social challenges in BC” (BC Social Innovation Council, 2012, p. 13). These recommen-

dations are a model for jurisdictions across Canada and should not beg support from Canada's NFP leaders.

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Innovative NFP organizational forms turn out to be far more than dusty academic concepts or simple belt-tightening reactions to downturns in funding. They are creative responses to tightly regulated environments, and many, including the ones reviewed here, are practical ways to support communitarian social effort. They are also part of a dynamic system in which various actors, including the state, sector leaders, and nascent social entrepreneurs push and pull, set up constraints, and find ways around those constraints. The emergence and growth of new NFP forms may be one of the best indices of the vitality of the sector. We all have a stake in the outcome.

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