

## Article

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# Government and the Nonprofit Sector in Latin America

DOI 10.1515/npf-2014-0028

## Introduction

A growing literature is exploring the dynamics of government–nonprofit relations, but most of this work has focused on developed nations with strong economies and consolidated democracies (Salamon 1995, 2002; Young 1999, 2000). The nations of the developing world, which by definition have weaker economies, and generally have less consolidated democracies and smaller nonprofit sectors, have received less attention (Najam 2000; Coston 1998). Among the latter, the nations of Latin America present an interesting set of cases: there is wide variation in terms of levels of economic development and democratic consolidation, but historically weak nonprofit sectors are a common element. For example, the five Latin American nations that are represented in the Johns Hopkins University Comparative Nonprofit Sector Project, although they are among the wealthiest in Latin America, have relatively small sectors compared to other developing nations, many of whom are less wealthy (Salamon et al. ch. 2).

The final decades of the twentieth century witnessed a period of democratic stability in Latin America, which unfortunately has – in some nations – fallen prey to what Weyland (2013) alternately describes as “soft authoritarianism,” “personalistic plebiscitarianism,” or populism. A growing number of nations,

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including Venezuela, Bolivia, Ecuador, Nicaragua, Honduras, and now Argentina, have fallen under the sway of demagogic leaders who have accrued executive power, weakened pluralism and undermined effective institutional checks and balances. At the same time, a number of nations have also moved toward consolidating democracy with varying degrees of success, with Costa Rica and Uruguay as clear leaders, but also Brazil, Chile, Colombia, and Mexico making noteworthy progress (Weyland 2013).

In this complex context, the relationship between government and the nonprofit sector<sup>1</sup> in Latin America takes on a variety of forms and has been subject to important legislative and constitutional debates (Gidron and Bar 2010). Perhaps the single most important measure of government–nonprofit relations is a nation’s legal framework, as this “will influence how strong [civil society] is in any particular setting” (Uphoff and Krishna 2004, 360; Young 2010). A civil society legal framework is made up of “laws that attempt to address all of the issues that arise over the “lifecycle” of a non-governmental organization” (International Center for Nonprofit Law 2009, 4). 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. It is important to underline that this area of law is often contested, with civil society advocating for a more favorable enabling environment and the government often seeking to place restrictions on the activities and legal status of civil society organizations, which it often perceives as a rival. Policy toward civil society and nonprofit organizations can also be part of greater shifts to the logics of development, for example, by producing symbolic links to national value and belief systems (Appe 2013). The question emerges, what conceptual lenses and explanatory factors can best illuminate these variations?

The cases presented here 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 this article we will draw upon the extant literature to illuminate a complex relationship between Latin American governments and their nonprofit sectors.

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<sup>1</sup> In this article, we generally use the terms nonprofit and civil society organization interchangeably to denote the nonprofit, non-governmental voluntary organizations that are usually regarded as part of the wider civil society.

## Conceptual Framework: Government–Nonprofit Relations

Scholars have offered various models to describe the spectrum of relationships between government and the nonprofit sector (see Brinkerhoff 2002; Coston 1998; Najam 2000; Young 1999, 2000). Young's (1999, 2000) typology of three models of government–nonprofit relations in particular has been well cited. In a supplementary relationship, the nonprofit sector fulfills the demand for public goods left unaddressed by government, i.e., government failure. A complementary relationship is when nonprofits partner with government to deliver public services, often with public funding; this coincides with Salamon's (2002) notion of a cooperative, third party government. And finally, the relationship can be described as adversarial when nonprofits pressure government to make changes in public policy and to push the government to be accountable to the public.

As many observe, the adversarial perspective or emphasis on conflict has been a focus of scholarship looking at government–nonprofit relationships (Brinkerhoff 2002; Najam 2000; Salamon 2002; Young 2000). However, conflict theories of government relations have been challenged, suggesting that government–nonprofit relations have actually become more cooperative and more focused on partnerships and alliances (Salamon 1997).

A fourth type of government–nonprofit relationship missing from Young's typology is that of cooptation, in which a government seeks to undermine a nonprofit's autonomy in order to further its own political ends (Najam 2000; Brinkerhoff 2002). While researchers note that a partnership with government might undermine the autonomy of the sector (Salamon 2006; Smith and Lipsky 1992), when nonprofits essentially lose their autonomy and become a tool of the state, a difference in degree becomes a difference in kind.

As suggested by this missing category, Young's (1999, 2000) model in particular is premised on a more stable context for governance (a stronger state) and a more harmonious relationship between the government and nonprofit sector, more akin to Northern than Southern realities. Placing greater emphasis on experience in the developing world, Najam (2000) states, "As they make their way through the policy stream, the goals, interests, priorities, resources, and other policy paraphernalia of the [nongovernmental organizations] and of governments collide – sometimes in harmony, sometimes in discord" (p. 379). What Najam underlines in his treatment of the topic is the essential tension that exists between the governmental and nonprofit sectors: it is discord, rather than harmony, that is a prevailing characteristic of the relationship in the developing world, including Latin America. In fact, the phenomenon of government–nonprofit partnership is

in its infancy in Latin America as its nations move away from authoritarian forms of government and newly independent sectors find their footing.

Young (2000) applies his three lenses in a comparative manner to the history of government–nonprofit relations in four developed countries: the United States, Israel, Japan, and the United Kingdom. In testing the usefulness of his typology internationally, Young addresses two questions: (1) under what circumstances does each of the ideal types emerge? and (2) what force(s) lead to the predominance of one relation or another? In terms of the first question, he finds that the lenses do capture this relationship as it evolves over time and that the three relationships exist simultaneously, with one or another gaining prominence depending on the particular historical circumstances. In terms of the second question, Young draws a contrast between his posture and that of Najam (1999, see also 2000): while Najam views nonprofits as “policy entrepreneurs” (1999) and claims that the relationship reflects strategies adopted by government and nonprofits to achieve their goals, Young (2000) seeks to emphasize “economic and social factors” (p. 150).

Young arrives at four important conclusions: these relationships are “multilayered” and are best understood as a “composite” of the three lenses; the relationships are dynamic and change over time; in Young’s cases the complementary relation is predominant, reflecting the fact that the sample is “representative of modern developed countries”; and, there are important differences between the cases and the government–nonprofit relationship “varies with the history and traditions of a country” (pp. 168–9). Drawing upon these conclusions and the historical case studies, he offers the following hypotheses about the dynamics of the government–nonprofit relationship, which we seek to test in our cases, amending them slightly for their relevance to the Latin American context<sup>2</sup>:

- *Hypothesis 1*: “The supplementary relationship becomes more prominent in times of surging prosperity in the private economy and when government is relatively passive in its approach to social policy or slow to respond to social issues” (p. 169).
- *Hypothesis 3*: “The complementary relationship, with an emphasis on governmental assimilation and control of nonprofit organizations, is likely to become more prominent in times requiring national unity... the forging of nationhood... In such periods, the supplementary and adversarial modes may be suppressed” (p. 169).

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<sup>2</sup> We do not elaborate on Young’s second hypothesis: “The supplementary relationship receives greater emphasis in countries that are more internally diverse and have significant minority groups” (p. 169). We do not test this hypothesis as most Latin American countries do not have significant minority populations, although the percentage of indigenous people and those of African descent vary widely.

- *Hypothesis 4*: “The adversarial relationship is likely to increase in prominence in times of social unrest and political turmoil, when societal groups seek governmental action and policy changes” (p. 169).
- *Hypothesis 5*: “The adversarial relationship, featuring governmental initiatives to regulate nonprofits, is likely to become prominent when private initiatives raise governmental concerns about inordinate private influence” (p. 169).

Here we take up his suggestion that “future research” will need to determine if “these hypotheses confirm the experiences of other countries as well” (p. 170), and apply them to Latin American countries undergoing political transitions, where democracy is either not fully consolidated or even under threat. In addition, we will offer some preliminary observations on the relative importance of socio-economic (Young 2000) versus political factors (Najam 2000) as the driving force behind the relationship.

## Latin America: Regional Context and Case Studies

Despite important differences in each nation’s history and the development of its nonprofit sector, it is possible to make a few general statements about the region. One commonality is the importance of the Catholic Church in the provision of social welfare dating from the colonial period, establishing the pre-eminence of the supplementary relationship (Sanborn and Portocarrero 2005). During the nineteenth and twentieth centuries, many nations experienced conflicts between religious and secular authorities, as evolving states sought to claim a role in the provision of social welfare and subordinate religious authorities and their conservative allies. Often these governments became authoritarian, and often operated in a corporatist manner, coopting organizations and pre-empting the development of an independent nonprofit sector. This authoritarianism began to provoke dissent in the last decades of the twentieth century and into the twenty-first, and a more adversarial relationship emerged. This led to the creation of organizations focused on human rights, democratization, and increasing governmental accountability, as well as efforts to promote socio-economic development at the grassroots level in marginalized communities. These organizations arose in part thanks to the availability of international support, both public and private. In general, the region’s nonprofit sectors are relatively under-developed and receive limited financial support from government (Salamon et al. 2004).

The cases selected offer important variation in terms of their recent economic and political development. Colombia and Mexico have taken the path of economic and political liberalization and have achieved the status of middle-income nations, although both have issues with human rights due to their “drug wars.” The countries’ new economic status has led to the dwindling of international support. In the poorer nations of Ecuador and Nicaragua, foreign funders play an important – if politically controversial – role in funding the nonprofit sector. Mexico and Colombia can be considered relatively stable or consolidated democracies, while Ecuador and Nicaragua are described as examples of soft or competitive authoritarianism and are members of the Bolivarian Alliance of the Americas (ALBA)<sup>3</sup> (Weyland 2013). A key observation is that although two (Colombia and Mexico) are more rightist and two more leftist (Ecuador and Nicaragua), each government has sought to limit or repress civil society in one form or another. However, as will be outlined, each of the four cases selected offers its own trajectory in terms of the development of the relationship between the sectors, and illustrates – to varying extents – the models of this relation.

## Colombia

Colombia’s nonprofit sector has been heavily influenced by the strong historical presence of the Catholic Church, which was the primary deliverer of social services (Villar 1998). During the period of nation-building in the nineteenth century, Colombia experienced an intense debate over the separation of Church and state (Villar 1998). Political conflict ensued between Liberals and Conservatives and led to major political violence in the late 1940s into the 1950s, which constrained civil society participation and organizing (Murillo 2004). Violence among armed groups was rooted in the struggle for land and reform and first initiated by Conservatives who undertook what has been called a “brutal repression against the Liberal bases...” (Murillo 2004, 46). In 1958 the National Front emerged as a coalition government and ended the violence, but the government lost legitimacy and the transition gave birth to new types of violence, in particular guerilla

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<sup>3</sup> ALBA has been framed around three ideas: an alternative to the Free Trade Act of the Americas, a focus on poverty reduction through public social programs, and anti-American rhetoric (Ponce, 2010).

movements forming in the 1960s. These guerilla movements still plague the country (Murillo 2004; Villar 1998). In addition, in the 1960s, the government proved to be limited in its ability to provide for citizens, resulting in a surge of self-help initiatives by civil society. This dynamic led to a “paradigm of conflict” (Villar 1998, 8) or adversarial relations between the state and civil society as it produced inter-sectoral resentment.

There is no centralized institutional framework that covers all nonprofit organizations in Colombia. However, initiatives that were implemented in the 1980s and early 1990s launched the nonprofit sector into public space and sought to develop more complementary relations between government and the nonprofit sector. Villar (1998) explains that “the establishment of participatory democracy, the deepening of decentralization, and the greater importance of the private sector in social service provision have all contributed to the greater visibility of the nonprofit sector” (p. 2). In addition, the Colombian Confederation of Nongovernmental Organizations (CCONG) was created in the late 1980s and has led the sector through several policy initiatives by engaging in dialogue with government and influencing government decisions in social policy.

Civil society participation was purposively woven into Colombia’s Constitution of 1991, which obligates the government to foster the sector, respect its autonomy, and set aside public funding for nonprofit organizations to participate in achieving the objectives of the national development plans (Villar 1998). In addition, the government sought to develop the sector through registration procedures. Since 1995 (Decree No. 2150) chambers of commerce across cities and communities are charged with maintenance of organizational information and making it available to the public (CCONG 2004).

More recently, Colombia has had a conservative right of center administration under President Alvaro Uribe (2002–2010) that focused its energies on fighting Colombia’s armed guerrilla movements. Uribe became very popular, particularly among middle- and high-income Colombians, and his popularity led to a constitutional amendment that permitted him a second term. However, adversarial relations developed with civil society, particularly with human rights organizations, as Uribe publicly discredited the nonprofit sector (Bouvier 2004; Ruiz-Restrepo 2005).

In 2010 Juan Manuel Santos – who served as Minister of Defense in the Uribe Administration – was elected president. The adversarial environment between the national government and nonprofit organizations has calmed under Santos, and a national conversation has begun about “constructive and effective public policy” for nonprofit organizations (National NGO Meeting 2011). Policy affecting Colombian nonprofits under Santos’ administration has included Decree No. 019 in 2012, which introduced a new registration process, the Registry of Enterprise

and Social (RUES). It is intended to be an efficient way to give the state and the public a tool with reliable information on business, contractors, cooperatives, and nonprofit organizations (<http://www.rues.org.co>). With this Decree, the organizations are to register and pay a fee annually. While it is not called a tax, CCONG representatives and the nonprofit sector at large are concerned that it is a tax-like burden for nonprofit organizations, as it requires an annual fee of \$300 to \$800 USD.

Another policy shift that has affected the work of nonprofit organizations recently in Colombia is the peace negotiations between the Colombian government and the Revolutionary Armed Forces of Colombia (FARC) which began in Santos's first term in 2012 (Isacson 2014; Zambrano and Gómez 2013). The current challenge for civil society in Colombia is carving its role out in the peace process (Actalliance 2013). Several key civil society players in Colombia (including CCONG, social organizations, and universities) have joined together to create the National Pact for Peace that calls for the sector to play an active role in the peace process by preparing itself for an accord and its implementation. The position of the National Pact is that the transition to peace will require the expertise and experience of civil society, which might bring about more complementary relations between the government and the nonprofit sector in Colombia.

## Ecuador

In the first half of the twentieth century, Ecuadorian nonprofit organizations were also very connected to the Catholic Church and social elites. Labor unions emerged in the 1930s and by mid-century charitable organizations began to transform into development nongovernmental organizations (NGOs) tackling issues such as rural technical assistance, disabled persons, family planning, and education (World Bank 2007). In the 1960s and 1970s, peasant mobilizations and social movements emerged. The 1978 Constitution and elections in 1979 marked a key period in the development of civil society in Ecuador as the sector grew, and the state weakened. Thus, a supplementary relationship emerged during the 1980s and into the 1990s in Ecuador (Brautigam and Segarra 2007; Cabrera and Vallejo 1997; World Bank 2007). This supplementary relationship became adversarial in the 1990s and 2000s as “new social movements” related to environment, gender equity, and indigenous rights emerged (World Bank 2007). In addition, mistrust of public institutions grew and civil society organizations protested government corruption, dollarization, and neoliberal



dislocations. Social movements and civil society organizations thus became key players in the ousting of three presidents<sup>4</sup> (Brautigam and Segarra 2007; Heinrich 2007).

Ecuador's 1998 Constitution was the first to explicitly give civil society a space in the public arena through several mechanisms such as decentralization initiatives at the local level, freedom of association and petition, and providing institutional spaces to influence public policies (Ortiz 2013; World Bank 2007). Ecuador's most recent 2008 Constitution includes an alternative framework of development called *buen vivir* (Villalba 2013), which recognizes civil society organizations as a critical means of strengthening citizenship (Articles 96 and 97). There is no specific overarching law that addresses nonprofit organizations; instead, rules have largely been enacted through executive decrees (Estupiñán 2008).

Despite the inclusion of civil society in the Constitutional framework, government–nonprofit sector relations have grown increasingly adversarial, which resulted in key shifts in the regulatory environment that suggest efforts at cooptation on the part of the government. In 2005, Rafael Correa was elected president, and early on he denounced the fact that there were more than 50,000 nonprofit organizations<sup>5</sup> with legal status in Ecuador. He has asserted that nonprofit organizations have avoided paying taxes, have meddled in political activities, and represented international interests (Flores 2010; La Prensa Latina 2010). On March 8, 2008, the Correa Administration released the Presidential Executive Decree No. 982 (Presidencia de la República del Ecuador 2008) that sought to (1) establish clear definitions of and fiscal requirements for nonprofit organizations and (2) implement a centralized, national registry of nonprofit organizations (Presidencia de la República del Ecuador 2008; Ministry of Coordination of Social Development 2008). In 2013, the administration released Executive Decree No. 16, which replaced the Decree No. 982, adding several new requirements for legal status and also requiring that international organizations seek further permission to work in the country. Decree No. 16 creates a new registry, which is currently under development, called Unified Information System of Social Organizations (SUIOS). Its goal is to make the activities of nonprofit organizations more transparent (Presidencia de la República del Ecuador 2013).

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4 Jamil Mahuad (August 10, 1998–January 21, 2000); Lucio Gutiérrez (January 15, 2003–April 20, 2005); and Alfredo Palacio (April 20, 2005–January 14, 2007).

5 According to the government, there are 60,577 organizations with legal status in Ecuador (<http://www.sociedadcivil.gob.ec/organizacioncivil/web/reports/general.html>, retrieved August 12, 2014).

Both decrees have undergone scrutiny by international human rights observers because of concerns about the threat to freedom of association and the wide discretion of public servants in requesting information about and dissolving organizations. Two cases in which organizations (*Acción Ecológica* in 2009 and *Fundación Pachamama* in 2013) were shut down by the government have received international attention. In response to these regulatory shifts and intensifying adversarial relations with government, Ecuador has seen a growth in civil society networking. In 2009 organizations began to debate the creation of a coordinating body that could be a forum for debate about issues within the sector, such as the legalization process, regulatory policy, and relations with government in general. This growing group of organizations began issuing publications that same year (Aportes 2009; Estévez 2011; OSC Ecuador 2011), including reflections on accountability mechanisms and the self-regulation of nonprofit organizations. This body has released two reports of aggregated descriptive data on civil society, the Report of Collective Accountability 2010 and more recently its second, Report of Accountability 2011.

In 2013, the Ecuadorian Confederation of Civil Society Organizations was formalized. Since then, the Confederation has continued to make statements to the press about its position on public policy concerning nonprofit organizations. Despite the current adversarial relationship, the Confederation maintains that it wants to establish a dialogue with the government and work with the state to formulate an overarching law for nonprofit organizations.

## Mexico

From 1929 to 2000, the Institutional Revolutionary Party (PRI) governed Mexico in a one-party corporatist manner, which was famously described as a “perfect dictatorship”: through a mix of coercion, cooptation, manipulation, and fraud, the PRI maintained its grip on power without lapsing into the brutal tactics of many authoritarian regimes. During Mexico’s prolonged democratic transition, dating back to student unrest in 1968, the nonprofit sector and its relationship to the state have undergone profound transformations. While largely church-based charities co-existed with the ruling party, in the closing decades of the last century a more autonomous sector developed, focused on promoting fair elections, human rights, and greater governmental accountability, as well as economic and social development, all with international support (Olvera 2010a; Verduzco and Tapia 2013). Thus in recent decades the relationship between the government and the nonprofit sector has been supplementary, cooptive, and adversarial.

Since the election of the first opposition presidential candidate in 2000, organized civil society has attempted to establish its place in the Mexican political system. After a decade-long struggle by an umbrella group of coalitions, in 2003 the Congress passed the Federal Law to Encourage the Activities of Civil Society Organizations (LFFAOSC) (Garcia & Ablanedo 2007). Symbolically, the single most important element of the law was the recognition that the activities of organizations – but not the organizations themselves – as being of public interest: advocates for the reform were adamant in drawing this distinction, out of concern for the ability of the state to subvert the intent of the law and use it as another means of control of the sector (Tapia and Robles 2006, 28). Although the law requires federal ministries to provide funding and fiscal incentives, it does not provide any sanctions for failing to do so (Tapia and Robles 2007, 239). Nonprofits seeking federal funds must join a registry, and all support is disclosed on a website; those seeking fiscal incentives undergo a more rigorous review process, and their finances are also made public. This would seem to be the foundation for a complementary relationship, but this possibility has yet to be fully realized.

The data reveal that many obstacles remain for the realization of the law's intent. In terms of federal funds, annual funding ranged between 100 and 300 million USD, about one-fifth the value of private donations; nearly half of the funds went to 3% of the organizations; and, a similar proportion went to government-operated nongovernmental organizations (GONGOs) (Tapia and Verduzco 2013). In terms of fiscal incentives, the process for obtaining tax-exempt status is so arduous that relatively few organizations succeed in obtaining it (Ablanedo et al. 2007; Layton 2011). The LFFAOSC also established both a Commission of functionaries to oversee implementation of the law and a Technical Advisory Council of nonprofit leaders and academics to provide advice to the Commission, but the functioning of both bodies has been undermined by a lack of consistency, interest, and funding from government (Tapia and Verduzco 2013). These same weaknesses have characterized spaces for citizen participation more generally (Olvera 2010b).

## Nicaragua

The relationship between Nicaragua's nonprofit sector and its government has undergone a series of transformations, reflecting the dramatic shifts in the nation's regimes. During the 40-year dictatorial rule of the Somoza family, civil society was largely marginalized and coopted (Borchgrevink 2006, 17–18).

In 1979 when the regime was overthrown by the leftist Sandinista National Liberation Front (FSLN), the revolutionary government adopted a corporatist model that created mass organizations involving hundreds of thousands of Nicaraguans: its great success in recruitment can be explained in part by the fact that party-affiliated organizations were the sole means of obtaining ration cards (Borchgrevink 2006, 18–20). Thus the demarcations between state, party and civil society were all but erased.

With the end of the Sandinista's rule in the election of 1990, the pendulum swung against these mass organizations. Conservative governments eliminated their state support and their privileged position. The 1990s witnessed a decline in grass-roots organizations, cooperatives, and union membership, which “was accompanied by an explosion of modern [nongovernmental organizations],” i.e., highly professionalized organizations supported by foreign funders (Chahim and Prakash 2014, 493).

An important moment in the evolution of the relationship between the government and the nonprofit sector occurred when Hurricane Mitch devastated Nicaragua in 1998. During reconstruction the government sought to bypass nonprofits and attempted to tax international donations, prompting NGOs to form an umbrella organization, the Civil Coordinator for Emergency Reconstruction, or CC. The CC lobbied both international actors and the government for a better coordinated approach to the recovery and became the “key opposition voice of the country” (Bradshaw and Linneker 2003, 154). With 600 member organizations, no other group “has nearly the same level of national prominence” (Chahim and Prakash 2014, 500).

In 1992 Nicaragua adopted Law No. 147: General Law of Non-profit Legal Entities. Subsequently, nonprofits working via networks had two important manners of influencing public policy: first, many undertook legislative lobbying in a wide range of issues; second, as a result of their lobbying success, numerous consultative bodies were established at all levels of government (Borchgrevink 2006, 52–55). These advances took place in the context of the weak institutionalization of the Nicaraguan state, which at once created opportunities for nonprofit organizations to intervene but failed to assure that those opportunities would last.

With the return of the FSLN to power in 2007, the pendulum has swung back again. The current administration has used the ambiguities in nonprofit legal framework to harass organizations it views as opposing the regime, and it has created extra-legal channels of participation for pro-FSLN organizations via Citizens' Power Councils and Citizens' Power Cabinets, which are recognized “as the sole representatives of Nicaragua's civil society” (ICNL 2014).

In Nicaragua cooptation and adversarialism have been the most prominent models. One important theme is a concern over “NGOization,” by which organizations have become highly professionalized and largely dependent on international funding. The dependence on foreign funding can undermine the legitimacy of organizations, as the grassroots perceive them as out of touch, while their political opponents attack them for being foreign agents (Chahim and Prakash 2014; Borchgrevink 2006).

## Discussion

These case studies demonstrate both the utility and the limitations of the conceptual lenses for understanding government–nonprofit relations proposed by Young (1999, 2000) and Najam (2000). We find that the cases largely confirm the hypotheses put forth by Young (2000) and stated earlier in this paper:

- *Hypothesis 1*: “The supplementary relationship becomes more prominent in times of surging prosperity in the private economy and when government is relatively passive in its approach to social policy or slow to respond to social issues” (p. 169). In the cases presented here, surging prosperity was not a necessary condition for the supplementary condition to arise, while governmental passivity was a factor. The dominance of the supplementary relationship was a function of conservative governments who either had little interest in social policy and/or simply deferred to the traditional role of the Catholic Church in providing poor relief. Historically, traditional religious charities have acted in supplementary manner, offering social services well before the advent of the welfare state and largely continuing to do so today.
- *Hypothesis 3*: “The complementary relationship, with an emphasis on governmental assimilation and control of nonprofit organizations, is likely to become more prominent in times requiring national unity... the forging of nationhood... In such periods, the supplementary and adversarial modes may be suppressed” (p. 169). We find that the complementary relation can become closer to Najam’s cooptation type in times of revolution and state-building, when the state perceives itself as threatened. Once the welfare state arose, and often in conjunction with authoritarian governments, nonprofits fell into either adversarial relationships or cooptation, with governments largely precluding the development of an independent sector. Both Colombia (with the growing importance of the sector in the peace

- process) and Mexico (with a legal mandate to provide federal funding), complementarity is increasing.
- *Hypothesis 4*: “The adversarial relationship is likely to increase in prominence in times of social unrest and political turmoil, when societal groups seek governmental action and policy changes” (p. 169). In the cases presented here, the adversarial relationship originated from the nonprofit sector not only seeking policy change but also pushing toward democratization. Whereas in Young’s formulation the adversarial relationship is characterized by policy debates, in Latin America this struggle is pushed to greater extremes and can be life-or-death for organizations.
  - *Hypothesis 5*: “The adversarial relationship, featuring governmental initiatives to regulate nonprofits, is likely to become prominent when private initiatives raise governmental concerns about inordinate private influence” (p. 169). Indeed, we see this in the Latin American region and find that the adversarial relationship originated from government, particularly when the nonprofit sector is being supported by foreign actors, be they private or public. (This was the case in pre-2000 Mexico and in present-day Nicaragua and Ecuador.) Historically, cooptation has been an important way for authoritarian governments to preclude the emergence of an autonomous sector and potentially threatening rivals.

Clearly, Young’s (1999, 2000) three “lenses” provide a very useful means of understanding this complex and evolving relationship in Latin America. However, the present cases support Najam’s (1999, 2000) position on two important points. First, it is useful to distinguish between complementarity and cooptation, especially in the context of authoritarian governments. Second, while socio-economic factors clearly influence the evolution of the government–nonprofit relationship, the role of policy entrepreneurs on both sides of the relationship has been preeminent in Latin America, and perhaps more generally in countries with weaker economies and which are undergoing democratic transition. In the last decade, many of these governments have recognized in their constitutions or in their laws the important role that associations (should) play in a democracy. This has largely been due to intense advocacy on the part of nonprofit policy entrepreneurs, including sectoral networks, which react to an impulse to control the growth and activities of the sector on the part of elected officials. However, until governments overcome the impulse to coopt or suppress the nonprofit sector, it will be difficult for the nonprofit sector to realize its potential. In addition, we have found that the two members of the ALBA coalition, Ecuador and Nicaragua, have been

more aggressive in placing limitations on their nonprofit sectors, while the two more liberal nations, Colombia and Mexico, have generally shown greater restraint.

## Conclusion

The conceptual lenses provided by Young (2000), as amended by Najam (2000), provide a useful way of systematizing the dynamics of the government–nonprofit relationship in the Latin American cases studied. Figure 1, adapted from Young 2000, offers a visual representation of the mix of relationships described in the case studies. While Young’s four cases clustered near the top of the triangle near complementarity, here the tendency is for the nations to be closer to the bottom, between supplementary and adversarial. It is important to point out that Colombia and to a lesser degree Mexico have moved toward greater complementarity, both Ecuador’s and Nicaragua’s relationship is much closer to adversarial.



**Figure 1:** Nonprofit–government relations in Latin America.  
Source: Young (2000).

In Latin America the potential of realizing a mutually beneficial government–nonprofit relationship is hampered by the absence of key institutional conditions which deserve continued attention in the literature: 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.

In addition, for some academics and activists, it is essential that the nonprofit sector – more often termed civil society – not fall into a neo-liberal trap of acting as counterparts to the state, but retain their “critical relationship” character (Olvera 2003, 430).

As government–nonprofit relationships continue to evolve in the region, it is critical that advocates – while working for a more favorable legal framework – also seek to create a more favorable enabling environment for the sector, including: a stronger civic culture, financial resources, accountability mechanisms, and capacity building (Layton 2009). Indeed, through the four cases of Colombia, Ecuador, Mexico, and Nicaragua, we see that civil society has emerged in Latin America in the recent decades as a critical force for democratization and the promotion of human rights, expanding well beyond its traditionally limited role in providing charitable relief to the poor. Building an enabling environment is critical to fulfill the expanding and important role of civil society, and nonprofit organizations in particular, in the region.

**Funding:** The Charles Stewart Mott Foundation is a major sponsor of Nonprofit Policy Forum, underwriting its open access to the public. Other sponsors include the Levin College at Cleveland State University and the Association for Research on Nonprofit Organizations and Voluntary Action. This special issue was funded through a grant by the Kresge Foundation to ARNOVA.

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