

Food for Thought

NPOs and their contribution to New Zealand's economy

By Beate Matthies

Three months ago I attended the conference **Empowerment & Success**, which was organised by *Community Networks Aotearoa New Zealand (CNA)* and the *New Zealand Council of Christian Social Services (NZCCSS)* and took place in Henderson, Auckland. There were many interesting presentations, talks, and workshops. For this article I have picked out the keynote address by *Garth Nowland-Foreman*. Garth is the director of *LEaD Centre for Not For Profit Leadership* and one of his focus areas is funding and accountability in this sector. The title of his talk was one of longest titles of the conference: *The Prince, the Merchant and the Poisonous Shopping Cart: Reclaiming our potential, so those we serve may realise theirs.*



Garth
Nowland-Foreman

Garth pointed out how important not-for-profit organisations (NPO) were for the New Zealand economy. When he mentioned the current statistics for this area I became curious and visited the *Stats NZ* website. Here are some statistics¹ that I picked out from there:

- ① The total number of non-profit institutions has increased from 97,000 (2004) to 114,110 (2013).
- ① The GDP contribution of the NPO sector to New Zealand's economy has risen from \$3.6 billion (2004) to 6 billion (2013).
- ① The non-profit sector's total income increased 65% between 2004 and 2013, with sales of goods and services up 71%, to \$8.3 billion.
- ① There is one not-for-profit organisation per 170 New Zealanders.

Garth took us back to a time more than 25 years ago when the markets and the voluntary sectors collided as the Neoliberal "take over policy" was

1. archive.stats.govt.nz/browse_for_stats/economic_indicators/NationalAccounts/non-profit-2013-mr.aspx

introduced and a new type of public management started. He certainly said what many participants thought: neoliberalism had a direct effect on NPOs as they now had to be “accountable”. Unfortunately, being accountable could also mean being compliant.

This is the context for *The Mendicant to the Prince*: the NPOs had to be in favour of government policy in order to receive funding. *Garth* connected this deal making with the merchant to the purchasing metaphor “shopping trolley”.

The 1990s were a time of contracting in community and voluntary organisations, the 2000s replaced contracts with partnerships. According to *Garth*, “the dangerous embrace quietly tightened” in the 2010s. Now, many organisations are re-establishing what had been introduced before the National government was elected. Referring to a book by *Brent Neilson*, *Charles Sedgwick*, and *Sandra Grey*, *Garth* called the new approach “Outcomes Plus” – the added value provided by community social services.

The community sector contributes with a considerable added value to society which is more important than any outcomes – NPOs strengthen the communities. The government agency *Superu* (the *Social Policy Evaluation and Research Unit*, formerly *Families Commission*) worked in the field of resilience and found out that one of the key words people were using was “HOPE”. In this context *Garth* quoted a Pākehā male, 30-39 years old, who said:

“Hope is the strongest word I know. I can literally overcome these problems. Not because of outside or inside influence, but because I have had a desire to succeed.”

Long-term support means connecting people. We are starting with a trolley, but ending up with a food basket – your and my food basket will make a better society! The words *Garth* gave us on our way were:

“Think beyond yourself and focus on the community around you.”

I hope this article has given you food for thought. We welcome your comments and your own ‘food for thought’ items, which you can email to us at secretary@adcross.org.nz