Abstract

Economic, social and political change over the last three decades, driven by public choice theory and New Managerialism has impacted on the nonprofit community welfare sector in Australia. While there is little doubt that the sector is being called upon to carry a larger burden of welfare service delivery, there is less clarity around the impact of these changes on the values of the sector and its institutional forms and structure.

A considerable body of research in Australia and New Zealand has been produced which both seeks to defend the values and cultures of the sector, and to find ways to adapt to changing circumstances. Less empirical work has been done on understanding the institutional form of the sector itself. This research project takes the opportunity presented by the Industry Commission’s 1995 “Inquiry into Charitable Organisations” to examine how institutionalised ideas are deployed in a discursive contestation with managerial ideas, and how this contestation reflects on a process of institutional change.

Political, economic and sociological theories are assessed for their capacity to address questions around the role of the sector with particular reference to its relationship with government, organisational behaviour under conditions of change and the changing ideas of the sector. Each of these theories provides important insights into one of more of these dimensions; however, their theoretical scope is not broad enough to address questions across all dimensions. Neoinstitutional theory provides explanations across both institutional stability and changes and is adopted as the theoretical lens. The analysis demonstrates that conceptualising institutional structures across normative, cultural and regulative dimensions and observing how ideas are deployed, manipulated and changed provides insight into institutional change processes.

46 documents from the 699 submissions and transcripts from organisations in the nonprofit community welfare sector were selected by purposive sampling for thematic analysis, which reduced the text to manageable code around ideas such as ‘altruism’, ‘accountability’ or ‘competition’. The identification of themes was then followed by interpretation utilising selected tools of discourse analysis, the most important of which was recontextualisation, or the process by which texts, words, ideas and discourses are rearranged and incorporated into other texts, in this case the reworking of all these ideas into the final report and recommendations of the Inquiry.

The analysis reveals that the legitimacy of normative and cultural ideas provides the sector with a counterweight to managerial ideas, in defence of established institutional forms. However, the analysis also reveals that the normative and cultural framework is decoupled
from the regulative framework. In ordinary language this means that there is no close matching of what organisational representatives say that they believe in and how they put those ideas into practice. This was demonstrated by the relative paucity of policy ideas which they produced which could have articulated their normative framework. The analytical conclusions therefore provide a practical dimension, pointing to how the sector can act to shape its institutional form, and a theoretical dimension, deepening the understanding of the institutional change process.