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**The Marketisation of Charitable Organisations
in Social Development**

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A thesis
submitted to Massey University
in partial fulfilment of the requirements for the degree of
Doctor in Philosophy in Development Studies

Massey University

2015

Abstract

There has been significant change in charitable organisations in *Aotearoa/ New Zealand* since 1984 when government introduced a form of neo-liberal “new public management”. Research into the impact of these changes has focused on the broader voluntary or third sector and on the specific impact of contracting on particular aspects of change. This thesis explores the systemic marketising nature of neo-liberal change on charitable organisations engaged in social development and argues that the particular characteristics of charitable organisations are being changed by the encroachment of values and operating practices of the market. The thesis uses critical realist ontology to understand the holistic nature of these changes. The literature review identifies characteristics of charitable organisations, markets and government and the emergent, hybridising nature of the dependence of charitable organisations in *Aotearoa/ New Zealand* on government funding. The findings are drawn from case studies of three charitable organisations which were very different in size, structure, focus and stage of development. The case studies included interviews with leaders in governance and management whose involvement collectively spanned the twenty five years between 1985 and 2010 covered by the research.

The findings show significant change in charitable sector characteristics by 2010 and a strong influence of the market on the changes in all three organisations. While at least two of the organisations can be described as social enterprises, they lack some characteristics of market organisations which would define them as businesses and they continue to identify themselves as charitable organisations. However, the extent of marketisation calls into question the ability of the three organisations to address some needs of those with whom they work and to play an effective role as civil society organisations. The research questions the existing concept of mission drift as simply the inability of an organisation to meet its stated mission and suggests that the mission of an organisation is not only captured in organisational goals but also in its characteristics which define the organisation’s approach to its work.

Acknowledgements

This thesis was borne from my ongoing desire to understand the changes that occurred in 1984 when, as a politically active person, I became increasingly concerned about the deep changes occurring in our society. I have been fortunate to have had the benefit of being able to take part in life-long education in *Aotearoa*/New Zealand's flexible tertiary education system, in order to pursue this quest for understanding. At the same time, I have been able to observe the impact of change through my work in practical politics, in the trade union movement and with the charitable sector, principally in international development. Along the way I have met some academics who inspired me and I want to acknowledge Ray Watters, John McKinnon and, particularly, Harvey Franklin who collectively helped me to think critically, read widely, challenge orthodox views and apply what I learned to the world around me. They helped set me on the path to this thesis.

I have been fortunate indeed to have had Regina Scheyvens and Robin Peace as my supervisors. I have benefitted from their academic expertise, their very practical support and guidance and their endless encouragement. They have given me wise advice and have shown endless patience. I am in awe of the volume of work that they both get through and really appreciate the time they have taken to assist me through both this work, and through some difficult personal issues along the way.

I wish to thank Massey University for providing me with a Doctoral Scholarship for my thesis, a Doctoral Completion Bursary, and research and conference attendance support.

I am very grateful to Carol Nelson for transcribing my interviews and helping me sort out some of my editing.

I wish to thank the three organisations who agreed to be the case studies for this thesis. I particularly appreciate those from the organisations who gave me their time to talk about their experiences during the past 25 years. They often had to dredge up long dormant memories and we had some lively conversations. I remain impressed by their energy and the commitment that they made to their organisations, particularly in testing times. My topic is a difficult one for people

who care deeply about their cause. I know, however, that many people were concerned about what has been happening to volunteer effort and democratic participation. I hope I have reflected their voices well and that this research provides a little insight into the processes at work.

The two groups of people whose interest, love and support have meant a great deal to me have been the friends and family, both in *Aotearoa*/New Zealand and Scotland who have gone above and beyond the call of friendship to give me a bed, a place to hide out, a place to study quietly and a listening ear. I have been a very distracted friend, mother and grandmother for quite some time. I am especially grateful to David, Kirsty and Musti for trying to keep some balance in my life and for making sure I saw enough of my grandchildren. I hope that what I have managed to do in completing this work might, some day, inspire Papatya and Ruzgar to reach for the moon and never give up.

In completing this thesis, I acknowledge, above all, the contribution of my late husband John without whose support I would never have embarked on this journey. He couldn't be with me to the end but he urged me to keep going. This thesis is dedicated to John.

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Abbreviations

ANGOA Association of Non Government Organisations of Aotearoa

CEO Chief Executive Officer

CORSO Council of Organisations for Relief Services Overseas

CSO Civil Society Organisation

CYFS Children Youth and Family Services

FPP First Past the Post

GM General Manager

MMP Mixed Member Proportional Representation

NFP Not-for-Profit

NGO Non-Government Organisation

NZQA New Zealand Qualifications Authority

OCVS Office of Community and Voluntary Sector

TEC Tertiary Education Commission

UK United Kingdom