BUILDING SOCIAL CAPITAL THROUGH SPORT, CULTURE AND RECREATION: AN EXPERIMENT IN COLLABORATIVE GOVERNANCE IN SASKATCHEWAN USING THE PROCEEDS OF STATE-DIRECTED GAMBLING

A Thesis

Submitted to the Faculty of Graduate Studies and Research
In Partial Fulfillment of the Requirements
For the Degree of

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Interdisciplinary
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by
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Regina, Saskatchewan
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FACULTY OF GRADUATE STUDIES AND RESEARCH

SUPERVISORY AND EXAMINING COMMITTEE

Lynn Eileen Gidluck, candidate for the degree of Special Case Doctor of Philosophy Interdisciplinary, has presented a thesis titled, Building Social Capital Through Sport, Culture and Recreation: An Experiment in Collaborative Governance in Saskatchewan Using The Proceeds of State-Directed Gambling, in an oral examination held on June 19, 2015. The following committee members have found the thesis acceptable in form and content, and that the candidate demonstrated satisfactory knowledge of the subject material.

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ABSTRACT

When states make the decision to increase government revenue from gambling, they have to mediate between a range of options for operating, regulating and controlling an industry viewed by many people to produce more public harm than benefits. Very little research has been conducted that explores the interface between the generation of revenue from state-directed gambling and efforts that governments make to use this revenue source for a social purpose. This study addresses this gap by exploring the choices available to governments for how to use gambling revenue.

Cross-national comparative research reveals that the Canadian province of Saskatchewan is the only jurisdiction in North America -- and one of only six places in the world -- where the government licenses a nonprofit agency to both operate a state lottery and work with civil society organizations to determine priorities for these public funds. Saskatchewan is unique in that it is the only jurisdiction where a sports’ federation has the monopoly license to operate lotteries. The operator of the lottery is also the central funding body for amateur sport, providing core funding and project grants for most aspects of the province’s amateur sport system.

Grounded theory methodology under the interpretivist paradigm was used to analyze interview and focus group data of 123 participants with knowledge of the history and outcomes of Saskatchewan’s lottery-funded sport, culture and recreation system. Evidence from this policy case study suggests that if governments want to maximize the social benefits from gambling, valuable lessons can be drawn from the model developed in Saskatchewan. One of the most important findings from this research is the promise
that collaborative governance arrangements like the lottery system in Saskatchewan have for empowering communities and creating social capital.

This case study documented the type of mechanisms necessary to connect the voluntary sector with government to create a shared sense of purpose and develop programs that facilitate community empowerment. Governments can maximize their ability to address policy problems with public funds by leveraging additional resources and garnering community support by working in a collaborative fashion with private participants. Policy environments that encourage the formation and support of a large number of small, civil society organizations hold great promise for fulfilling public mandates.

These findings have implications that extend beyond gambling policy. The case study described in these pages meets almost every measure of what constitutes “best practices” in the literature on collaborative governance arrangements. Themes that emerged from the grounded theory analysis, with insight from related fields such as organizational empowerment, social capital and management of common-pool resources, formed the basis for the development of an analytical framework. Practical advice is offered on how to design and implement collaborative governance arrangements that facilitate organizational empowerment and collective ownership by the partners in such relationships.

**Keywords:** Lotteries; gambling; sport, culture, recreation; social capital; collaborative governance; organizational empowerment; agenda setting; institutional change; grounded theory; oral history; case study; public policy; Saskatchewan; wicked policy.
ACKNOWLEDGMENTS

I feel privileged to have had the opportunity to do this research and tell the stories of the individuals who helped build the lottery-funded sport, culture and recreation system in Saskatchewan. My life is richer because of the people I interviewed and who participated in my focus groups – people who care deeply about their communities. They inspired me and I sincerely hope I manage, by conveying what I learned from them, to do the same for people reading this dissertation.

I am very grateful to Dr. Greg Marchildon and Dr. Raymond Blake for agreeing to be my supervisors for this project. Their advice and feedback on earlier drafts of this thesis and throughout the process of researching and writing was invaluable. Thank you also to my committee members: Dr. Colin S. Campbell, Dr. Larena Hoeber and Dr. Rozzet Jurdie. I had the good fortune to take classes from all of them (as well as Dr. Blake). Researching and writing this dissertation would have been so much more difficult if I had not learned what I did from them early in the process.

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LIST OF ACRONYMS AND ABBREVIATIONS

ALC: Atlantic Lottery Corporation
BCLC: British Columbia Lottery Corporation
CCF: Cooperative Commonwealth Federation
CGA: collaborative governance arrangement
CPRs: common-pool resources
EL: European Association of State Lotteries and Toto Associations
FSIN: Federation of Saskatchewan Indian Nations
IAD: institutional analysis and development
LTAD: long-term athlete development
MCOS: multicultural organizations of Saskatchewan
MIF: Multicultural Initiatives Fund
NDP: New Democratic Party
NASPL: North American Association of State and Provincial Lotteries
NFCSD: National Foundation for the Development of Civil Society
NRCC: Northern Recreation Coordinating Committee
OE: organizational empowerment
OLG: Ontario Lottery and Gaming Corporation
PCO: provincial cultural organization
PSGB: provincial sport governing body
RRA: regional recreation association
SAHA: Saskatchewan Amateur Hockey Association
SCCO: Saskatchewan Council of Cultural Organization
SHSAA: Saskatchewan High Schools Athletic Association
SIGA: Saskatchewan Indian Gaming Authority
SLGA: Saskatchewan Liquor and Gaming Authority
SGC: Saskatchewan Gaming Corporation
SPRA: Saskatchewan Parks and Recreation Association
SSRU: Saskatchewan Sports and Recreation Unlimited
SUMA: Saskatchewan Urban Municipalities Association
WCLF: Western Canada Lottery Foundation
WCLC: Western Canada Lottery Corporation
WLA: World Lottery Association
# KEY POLICY EVENTS FOR LOTTERIES AND SPORT, CULTURE AND RECREATION IN SASKATCHEWAN

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<th>Legislation, Policy or Event</th>
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<tr>
<td>1869-1892</td>
<td>Federal laws governing gambling are established, culminating in the 1892 Criminal Code. These laws prohibit all forms of gambling with the exception of social gambling between individuals, small raffles for charitable purposes, and horse race betting that occurs at the track.</td>
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<tr>
<td>1948</td>
<td>Saskatchewan Arts Board is created.</td>
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<tr>
<td>1952</td>
<td>Royal Commission on the Revision of Criminal Code found inconsistencies in the gaming laws, but did not recommend any substantive changes, “because of the controversial nature of the matters involved.”</td>
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<tr>
<td>1956</td>
<td>A Joint Committee of the Senate and House of Commons recommended: continued prohibition and effective enforcement of all lotteries; continued exemption for charitable or religious purposes and agricultural organizations; a significant increase in the allowable size of prizes; the existing exemption for providing ‘occasional’ games of chance by charitable or religious organizations to be replaced with a maximum yearly limit on prizes by any one organization; bingo to be treated as a type of lottery; continued prohibition of lottery advertising; and no provincial or federal lottery as the appropriate role of government is to regulate rather than provide gambling.</td>
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<td>1961</td>
<td>Federal <em>Fitness and Amateur Sport Act</em> passed.</td>
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<td></td>
<td>Saskatchewan Recreation Association formed (later to become Saskatchewan Parks and Recreation Association).</td>
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<td>1965</td>
<td><em>Saskatchewan Youth Act</em> passed.</td>
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<td>1966</td>
<td><em>Provincial Youth Agency</em> is formed.</td>
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<td>1967</td>
<td>First Canada Games held in Quebec City.</td>
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<td>1969</td>
<td>Saskatchewan Sports and Recreation Unlimited (SSRU) is formed with three founding members - Saskatchewan Amateur Hockey Association (SAHA), the Saskatchewan High Schools Athletic Association (SHSAA), and the Saskatchewan Parks and Recreation Association.</td>
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<td>1969</td>
<td>Changes to the <em>Criminal Code of Canada</em> open the door to legalized gambling.</td>
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<td>1971</td>
<td>Founding meeting of Sask Sport Inc. held September 25th and 26th in Regina. Department of Culture and Youth established.</td>
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<td>1972</td>
<td>Zone sport councils were established for competition purposes relating to the Saskatchewan Games Program.</td>
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<td>1973</td>
<td>The Olympic Lottery Corporation of Canada receives permission from the Canadian government to hold national lotteries to raise money for the 1976 Olympics in Montreal. The first national lottery is held.</td>
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<td>1974</td>
<td>The Western Canada Lottery Foundation (WCLF) is formed by the provinces of British Columbia, Alberta, Saskatchewan, and Manitoba, with the Yukon Territory being an associate member.</td>
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<td></td>
<td>Sask Sport licensed as the provincial sales agency for the WCLF.</td>
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<td>Year</td>
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<tr>
<td>1976</td>
<td>When the national Olympic lottery expired after the 1976 Olympic games, Lotto Canada, a federal lottery agency, began operating in its place. At the same time, the Interprovincial Lottery Corporation was established by the provincial lottery corporations (including WCLF) to operate national lotteries on behalf of the provinces (providing direct competition to Lotto Canada). Sask Sport signed agreement with Agricultural Fair Boards to exit the lottery business.</td>
</tr>
<tr>
<td>1979</td>
<td>The federal government withdraws from offering lottery schemes in return for $24 million annually from the provinces indexed to inflation. Cultural Policy Secretariat is established by the provincial government and the “Vichert” Report is published.</td>
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<td>1980s</td>
<td>A conflict between the federal and provincial governments occurred over the federal government’s involvement in lotteries and sports betting, eventually leading to an agreement permitting exclusive provincial control in 1985.</td>
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<td>1980</td>
<td>Saskatchewan Council of Cultural Organizations was officially incorporated and registered as a nonprofit umbrella organization for the cultural sector.</td>
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<td>1981</td>
<td>Agreement was reached with former ticket distributors on a compensation package to transfer distribution of tickets to Sask Sport Inc. Distributors Inc. Lottery funding to Priority II and III arts organizations is suspended.</td>
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<td>1982</td>
<td>Saskatchewan Arts Alliance is formed as an “ad hoc” committee by representatives of the professional arts community to protest cuts to this sector. Funding responsibility for Regional Recreation Associations was transferred from the government of Saskatchewan to the Saskatchewan Lotteries Trust Fund. Lotto 6/49 is launched as a national lottery game by the Interprovincial Lottery Corporation. Beginning of directed funding – Lottery funds would pay the Western Development Museum $1,200,000 over the duration of the first instant game. Distribution of lottery tickets and payout of prizes through bank branches comes to an end. The Trust Initiative Program (later renamed the Community Grants Program) was established.</td>
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<td>1983</td>
<td>Minister’s Directed Fund established by Saskatchewan government to allow the government direct money to sport, culture and recreation projects that fall outside the mandate of provincial organizations.</td>
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<td>1985</td>
<td>Criminal Code amendment gives exclusive ability to operate ‘lottery schemes’ to the provinces. The legislation also limits the conduct and management of lottery schemes operated on or through a computer, video device or slot machine to provincial governments. British Columbia withdrew from the Western Canada Lottery Corporation.</td>
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<tr>
<td>Year</td>
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<td>1989</td>
<td>Saskatchewan government implements 10% hospital tax on lottery tickets (however sales drop significantly so tax subsequently removed). The Saskatchewan Arts Strategy Task Force is established.</td>
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<td>1991</td>
<td>Government announced formation of Family Foundation and major changes in wind for Lotteries. Funding responsibility for the Zone Sport Councils was transferred to the Lotteries Trust Fund. Minister’s Directed Fund cancelled. Lottery Trust Fund assumes responsibility for projects/programs formerly financed through this fund. New formula for distributing funds is agreed to because cultural sector had been hit the hardest by provincial and federal funding cuts - 45% for sport, 45% for culture and 10% for recreation.</td>
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<td>1993</td>
<td>Nine Tribal Councils added to the Minister’s eligibility list and henceforth receive lottery funding to hire professional coordinator to work directly in the sport, culture and recreation areas. Government reclaims responsibility for funding cultural agencies.</td>
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<td>1996</td>
<td>Committee formed to propose transition from SCCO to Sask Culture. Establishment of Single Arts Agency Working Group.</td>
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<td>1997</td>
<td>Sask Culture is created to replace SCCO as the administrator of lottery proceeds to the arts and culture sector.</td>
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<td>1998</td>
<td>New <em>Arts Board Act</em> is created.</td>
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<td>2002</td>
<td>Memorandum of understanding between the Arts Board and Sask Culture is signed, creating a single funding agency for the arts.</td>
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<td>2004</td>
<td>Cancellation of government field staff service.</td>
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<td>2005</td>
<td>Building Better Communities Amalgamation process.</td>
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<td>2006</td>
<td>Government of Saskatchewan transferred the responsibility of the Saskatchewan Games program to the Saskatchewan Games Council.</td>
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<tr>
<td>2009</td>
<td>The Trust Fund achieved its long standing goal of providing two year funding commitments to eligible provincial organizations.</td>
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CHAPTER ONE
INTRODUCTION TO THE STUDY

The global gambling market is estimated to be around $548 billion Canadian dollars.¹ Lotteries account for about one third of the total market while casinos account for another 30 percent of the industry revenue. Gaming machines (20 percent), betting (13 percent) and bingo and other gaming (4 percent), make up the rest of the market.² For most other “entertainment” options the private sector is the leading service provider. Governments may provide regulatory oversight but direct involvement is usually minimal. Because of gambling’s contested nature, governments around the world play a pivotal role in operating and benefiting from gambling. Canada is no exception. It is one of many countries where governments own and operate lotteries and other forms of gambling.

Prior to 1969, when amendments were made to the Criminal Code of Canada, the only forms of gambling not prohibited by law were horse racing, small lotteries, raffles and bingos, carnival games at fairs and exhibitions and other minor bets for sporting events, private poker games or between individuals. The changes to the Criminal Code had profound implications on the future of gambling in Canada.³ By 1976 every province was involved in lotteries. Several provinces also started to permit agricultural exhibitions to run casino-style games of chance like blackjack and roulette during their annual fairs.⁴ Success of these exhibition casinos prompted nonprofit organizations in Western Canada (starting with Alberta) to lobby the provinces to grant short-term licenses to permit them to operate casinos as fundraisers.⁵ Revenues continued to escalate since government first entered the industry in the early 1970s. By 2013, proceeds generated from government-operated gambling reached $13.8 billion. Most of that revenue ($7.97 billion) went to
provincial governments. Canada has 72 permanent casinos, more than 5,000 electronic gaming machine venues and approximately 31,000 lottery ticket outlets.⁶

1.1 SIGNIFICANCE OF RESEARCH
Governments exist to serve their people but determining what contributes to societal well-being is a very value-laden task. When states make the decision to increase government revenue from gambling, they have to mediate between a range of options for operating, regulating and controlling an industry still viewed by many people to produce more public harm than benefits. Governments must also determine how to use money generated in this manner. Some of the options for managing gambling include licensing private sector businesses; setting up government agencies to own, run and benefit from gambling; and allowing community organizations to deliver and benefit from gambling revenue. Government-run agencies can choose to earmark revenue for certain public goods or they can use this money to avoid raising taxes, reduce government debt or to maintain rather than enhance existing services.

Regardless of the manner in which gambling ventures are set up or the potential benefits, some people will develop compulsive behaviours, increasing the demand for public services to help them and their families.⁷ The very decision to legalize gambling is a political act, often prompting governments to engage in exercises in public relations to justify their actions. Despite the existence of a substantial body of scholarly literature and government and industry-sponsored studies on this topic, there is no single summative measure to quantify the social and economic costs and benefits of gambling.⁸
Some government representatives feel morally compelled or face pressure from their populations to demonstrate why and how they will be utilizing gambling revenue. Other officials view gambling as a form of entertainment or economic development and very little, if any, justification for involvement is felt to be necessary. Modest research has been conducted to explore the interface between the revenue generation from state-directed gambling and efforts that governments can take to work with civil society to use this funding source for a social purpose. This dissertation will attempt to fill the gap in the literature by exploring the choices available to governments for how to use gambling revenue. In particular, it will detail the approach of a single province in Canada – Saskatchewan - one of only six jurisdictions in the world where the government collaborates with the voluntary sector to operate and use the proceeds from a state lottery to fund public services.

1.2 SASKATCHEWAN: AN INTRODUCTION

Canada consists of 10 provinces and 3 territories. The province of Saskatchewan neighbours Alberta to the west, Manitoba to the east, the US states of Montana and North Dakota to the south, and the North West Territories to the north. Saskatchewan covers an area of 651,036 square kilometres, roughly the same size as Texas. The population was estimated to be 1.03 million in 2011, representing just over 3 percent of the total Canadian population. Because citizens believed they were being exploited by the grain companies, banks and railways – all based out of province, a strong cooperative movement was developed in Saskatchewan. The province was also home to the first social democratic government in Canada in 1944 and is the birthplace of the country’s
universal health care system. Saskatchewan has a long tradition of lively partisan politics, reflected in its election results which show that in the seven general elections since 1986 the winning party has won over 50 percent of the vote only twice. People in Saskatchewan tend to adhere to their ideological assumptions very strongly and the approach taken with the provincial lottery is one of the few public policies supported by both of the major political parties.

1.3 GAMBLING IN CANADA

Gambling was prevalent among First Nations when French explorers arrived in North America and created New France. Despite prohibitions under French law, gaming activity was widespread and lotteries were often used in New France for poor relief and to finance large projects. When the Royal Proclamation was passed in 1763, British laws provided the foundations for the development of Canadian criminal law. When the British North America Act was passed in 1867 creating the new Dominion of Canada, the federal Parliament was granted the exclusive power in relation to criminal law.

When the *Criminal Code of Canada* was adopted in 1892, all gambling in the country became regulated under federal law. The *Criminal Code* made almost all lotteries a criminal offence. A number of exemptions to this general prohibition were made between 1892 and 1969 that represented a trend away from criminalization (or prohibition) and toward administrative regulation. Each successive amendment was justified on the grounds that it served a greater social good such as allowing religious groups and charities to raise money through small raffles and bingos, allowing pari-mutuel betting at race tracks and offering games of chance at agricultural fairs and
exhibitions. The Great Depression also saw several attempts by Canadian politicians to introduce lotteries to generate revenue for hospitals, education and the unemployed. However, any efforts to convince parliament to allow larger-scale gambling ventures were handily defeated until significant changes were made to the Criminal Code in 1969.¹²

By the time the federal government changed the laws around gambling, Canadian society had liberalized as it had in so many other fashions and there was an increased public appetite for state-run lotteries. There had been a steady lobby for reform and liberalization of the laws from all over Canada around this “vice” for years by individuals in religious and charitable circles who were trying to raise money for a multitude of good causes. More often than not, politicians and public leaders turned a blind eye to illegal gambling operations that were seen to have public benefits.¹³ When changes to the Criminal Code were introduced in the House of Commons in 1969, Justice Minister John Turner explained that the establishment of lotteries would no longer be a question of criminal law but a matter of public policy. This meant that the government of each province would have to go before its own legislature and seek the approval of its own electorate for its own policy decisions on gambling.

You decide in terms of the public opinion of your own people in the province whether you want a lottery scheme. If you do, the conditions that you attach to such a scheme are a provincial matter.¹⁴

1.4 UNIQUE APPROACH TAKEN WITH LOTTERIES IN SASKATCHEWAN

With changes to the Criminal Code, governments across Canada were able to enter the gambling business. Everywhere, except Saskatchewan, governments chose to either
create crown corporations to directly oversee provincial lotteries or to hire civil servants to work with regional lottery entities such as the Western Canada Lottery Corporation and the Atlantic Lottery Corporation—the organizations that physically operate the draws collectively on behalf of member provinces and territories. In both of these types of arrangements, revenue flows into the province or territory’s general revenue fund (based on actual sales within their jurisdiction) and government determines how the money will be spent through its regular budgetary process.15

Saskatchewan chose to devolve the operation of its provincial lottery to Sask Sport, a federation created in 1971 to act as a voice for the amateur sport community. Saskatchewan Lotteries, a division of Sask Sport, is the provincial marketing organization for Western Canada Lottery Corporation products in Saskatchewan. The Minister of Parks, Culture and Sport is responsible for overseeing ticket lotteries in Saskatchewan and negotiating agreements with Sask Sport to operate Saskatchewan Lotteries as a fundraiser for sport, culture and recreation. Instead of flowing into the government’s central revenue fund, lottery dollars go into a Trust Fund managed jointly by three umbrella organizations that are held accountable by community-elected boards of directors. Licensing and regulation of most other forms of gaming, including bingo, raffles, casinos, break open tickets and horse racing, lies with the Saskatchewan Liquor and Gaming Authority (SLGA), a treasury board crown agency. SLGA owns and manages all video lottery terminals as well as the slot machines at six First Nations-owned casinos operated by the Saskatchewan Indian Gaming Authority. SLGA also performs a regulatory function for the Saskatchewan Gaming Corporation, a commercial crown corporation that operates two government-owned casinos.16 Figure 1.1 shows the
structure of the gambling landscape in Saskatchewan. Today, 1,200 provincial sport, culture and recreation groups, tribal councils and First Nation band councils in Saskatchewan receive direct lottery funding. In turn, these organizations distribute funding to more than 12,000 affiliated organizations. Figure 1.2 shows how the lottery system is set up in Saskatchewan. Volunteers continue to play a major role in the development or refinement of granting programs and accountability measures for dollars that come from the Trust. The funding from the Lottery Trust Fund is allocated in fixed proportions to areas of sport (50 percent), culture (35 percent) and recreation (15 percent). Sask Sport represents 78 member organizations, including provincial sport governing bodies such as Football Saskatchewan and Special Olympics Saskatchewan, and multi-sport organizations like the Saskatchewan Games Council and the Canada Sports Centre. SaskCulture provides direction on program and policy for the cultural component of the lottery funds. In 2014, SaskCulture funded 142 member-based arts, heritage, multicultural and other cultural organizations. Saskatchewan Parks and Recreation Association (SPRA) is the voice of parks and recreation in Saskatchewan. SPRA’s membership consists of cities, towns, villages, rural municipalities, First Nation and Métis communities, provincial recreation associations, regional/urban park authorities and other groups like the Red Cross, Girl Guides and Boy Scouts and the Saskatchewan Trails Association. For the year ending March 31, 2014 net profits to the Lottery Trust Fund, after prizes and retailer commissions, federal and provincial taxes and operating expenses, was C$61.8 million.
Figure 1.1. Gambling Industry in Saskatchewan
Figure 1.2: Lottery System in Saskatchewan

Source: Adapted from a chart provided by SaskCulture, 2015.
1.5 RESEARCH QUESTIONS

The first research question is whether the approach Saskatchewan has taken with its provincial lottery is an exceptional case. Cross-national comparative research will demonstrate that Saskatchewan is the only jurisdiction in North America -- and one of only six places in the world -- where the government licenses a nonprofit agency to both operate a state lottery and work with civil society organizations to determine priorities for these public funds. Saskatchewan is unique in that it is the only jurisdiction where a sports’ federation has the monopoly license to operate lotteries. The operator of the lottery is also the central funding body for amateur sport, providing core funding and project grants for most aspects of the province’s amateur sport system. Once this is established, the history and institutional structure of this policy model will be explored. To begin, three broad-based questions about the history, context and evolution of this system will be answered.

• Why and how did Saskatchewan partner with the voluntary sector to run its provincial lottery?

• How did the system evolve and change over the years?

• Why has the collaborative governance relationship between Sask Sport and the province of Saskatchewan to run the provincial lottery experienced such longevity?

The following questions formed the basis of the grounded theory that emerged from the themes in the interviews and focus groups for this study:
• In what ways, if any, did the system for funding sport, culture and recreation in
Saskatchewan lead to organizational empowerment and social capital within these
communities?
• What processes and institutional structures characterize organizations that are
empowered?
• What lessons can government agencies and voluntary sector partners extrapolate
from this case study?

Numerous scholars have pointed to the need to integrate gender-based analysis as a
way to assess the differential impact of policies, programs and legislation on women and
men.21 Research by Hoeber shows how gender inequity is perpetuated and embedded in
the culture of university athletics in Canada.22 Safai’s study of how policies at the federal
level have stood in the way of full participation and representation of women in sport in
Canada point to similar inequities.23 Bedford’s research on the gendered nature of
gambling policy changes in the United Kingdom24 also points to the importance of
examinign Saskatchewan’s lottery-funded amateur sport system through a gender lens.
Unfortunately, given the limitations of the thesis, choices had to be made. It was
determined that it was not feasible to incorporate gender-based analysis given the scope
of the research already being undertaken for this study.

1.6 RESEARCH DESIGN
This study is anchored in an interpretivist philosophical and conceptual framework based
on an epistemological belief that rejects the possibility that researchers can be objective,
impartial observers. The goal was to develop a partnership with the study’s participants to create a mutual construction of meaning during interviews and the subsequent reconstruction of the central story and theoretical insights of their worlds. Two complementary, yet distinct research processes—case study research and grounded theory were employed. As Stake suggests, a case study is both a process of inquiry as well as a product of that inquiry and the object of study is typically a specific, bounded system. Yin argues that case studies have a distinctive place in evaluation research by providing the opportunity to explore policy interventions in depth and within their real-life context. He suggests that case study research is particularly appropriate when the inquiry addresses descriptive questions (what happened?) or explanatory questions (how or why something happened?).

Strauss and Corbin define grounded theory as “a general methodology for developing theory that is grounded in data systematically gathered and analyzed. Theory evolves during actual research and it does this through continuous interplay between analysis and data collection.” Researchers do not start with a theory and then prove it. Rather, they begin with an area of study and allow whatever is relevant to that area to emerge. The central principle of grounded theory — that data collection and analysis be undertaken simultaneously — is also a key tenant of case study methodology. Case studies, as with grounded theory studies, require that researchers process data as it is collected and that they be willing to modify their strategy while they are still in the field — following new leads and resolving conflicts which may emerge in the sources.

The case study, which forms the foundation of this dissertation, documents the history and outcomes of Saskatchewan’s policy approach for lottery funding. Practical
policy lessons on how to structure successful collaborative governance arrangements are provided. This policy study also makes a theoretical contribution to the understanding of how governments can work with the voluntary sector to develop public policy and create social capital. Theoretical insight about the mechanisms necessary for policies to become path dependent is also offered.

1.7 AN OVERVIEW OF THE CHAPTERS TO FOLLOW

To set the stage for the analysis, chapter two reviews existing scholarship that explores the interface between gambling and the voluntary sector and the use of gambling revenue for public purposes. The chapter also discusses the theoretical frameworks that will be used throughout the study to analyze the findings.

Chapter three more fully describes the interpretive/constructivist philosophical foundations (ontology, epistemology, etc) that informed this study and the methods used to collect and analyze a wide array of information sources. The chapter introduces readers to the general concepts of grounded theory and how this approach for guiding and analyzing data compliments oral history and case study research.

Chapter four provides an answer to the first research question of whether the approach Saskatchewan has taken with lotteries is an exceptional case. The question is answered through a cross-national comparison of how governments around the world regulate lotteries and utilize profits from this revenue stream to fund public services. A number of diverse concepts and variables are used to develop an analytical framework that provides a quantitative measure for the rate of adoption of different policy approaches. The chapter concludes with a discussion of how the model for operating the
provincial lottery in Saskatchewan is unique in the world and warrants in depth exploration.

Chapter five utilizes John. W. Kingdon’s theoretical framework for agenda setting to answer the second research question which was why and how the government of Saskatchewan took such a different path than other jurisdictions for using revenue from its provincial lottery. Kingdon’s research focused on case studies of agenda setting and policy alternatives in the United States. This case study tests whether Kingdon’s theory is applicable in a Westminster parliamentary system.33

Chapter six answers the two other research questions related to the history of the lottery system – how the institutional model evolved and why successive governments have been so supportive of it over the years. It will be shown that once the decision was made to experiment with a new model for running the provincial lottery and for funding the sport, culture and recreation sectors, several positive feedback mechanisms were created which made it difficult for the government to alter its course — what Pierson and Thelen refer to as a path dependent public policy direction.34 Despite several powerful path dependencies which made it difficult to alter the general nature and key elements of the system, a number of changes in directions to the lottery-funded sport, culture and recreation system in Saskatchewan took place over the years. This chapter shows how the system was strengthened and further entrenched through a series of layered changes implemented by governments with profound ideological differences. It will be demonstrated that the collaborative governance approach to running the provincial lottery appealed to both social democratic forces and conservative interests for a variety of different reasons.
Chapter seven delves more deeply into the history of the cultural sector and examines how leaders within this community, as encouraged and supported by their partners in sport and recreation, dealt with issues which threatened the system.

Chapters eight and nine outline the themes that emerged from the interview and focus group data on the strengths and weaknesses of the funding model. Chapter eight highlights the strengths that a broad cross-section of participants identified as central to the enduring success of the lottery system in Saskatchewan. Key concepts and qualitative measures from the social capital literature were used to code the interview and focus group data. Through these efforts chapter eight answers the question of whether this funding model helped lead to organizational empowerment and social capital in these communities.

Chapter nine identifies a number of challenges and opportunities which remain, including the vulnerabilities of current sport, culture and recreation programming in the province.

Chapter ten answers the final two research questions – what processes and institutional structures characterize organizations that are empowered and what lessons can be transferred from this case study. A model for collaborative governance is presented that operationalizes some of the key findings from the case study with insights from several bodies of literature related to organizational effectiveness and empowerment. The conceptual model presented in this chapter builds on the framework proposed by Peterson and Zimmerman in 2004 that identifies three levels of analysis to order processes relevant to organizational empowerment outcomes.35
Chapter eleven summarizes the key findings of the study and discusses the challenges and limitations of the research, with a focus on future work which can be conducted to address some of the remaining questions. The chapter closes with reflections on the lessons that can be learned from the lottery-funded sport, culture and recreation system in Saskatchewan.

Collectively, these chapters tell the story of how the voluntary sector and government can work together to create a shared sense of purpose and facilitate community empowerment. This case study will demonstrate that policy environments that encourage the formation and support of a large number of small, civil society organizations hold great promise for fulfilling public mandates.

2 Ibid.
6 Canadian Partnership for Responsible Gambling, Canadian Gambling Digest 2012-13 (Toronto, ON, 2013).
9 See in particular, Loleen Youngman Berdahl, “The Impact of Gaming upon Canadian Non-Profits: A 1999 Survey of Gaming Grant Recipients” (Calgary, AB: Canada West Foundation, 1999) and Kerry Glenn-Edward Chambers, "Gambling-for-Profit in Late Modernity" (Ph.D. diss., Dalhousie University, 2008).


Kate Bedford, "Getting the bingo hall back again? Gender, gambling law reform, and regeneration debates in a district council licensing board." *Social & Legal Studies* 20, no. 3 (2011): 369-388.


Yin, “Theoretical Perspectives and Case Selection,” 3.

There is paucity of work that details the range of models available to government for using revenues from commercial gambling and determining which options have the greatest potential to generate social benefits. There is also a gap in the theoretical knowledge of how governments can collaborate with civil society partners to create social capital. A case study of the lottery-funded sport, culture and recreation system provides the opportunity to expand knowledge in both these areas. Accomplishing this, however, requires that we move beyond a descriptive history of this policy alternative and its perceived strengths and weaknesses.

A number of theoretical frameworks are helpful for organizing and analyzing the historical chronicle. Political scientist John W. Kingdon’s landmark theory on agenda setting provides a useful framework for analyzing the pre-decision public policy processes which led the Saskatchewan government to reject models of state-directed gambling that were adopted by surrounding jurisdictions. In a similar manner, theory advanced by institutional scholars can structure the discussion around how this bold experiment in government/voluntary sector collaboration evolved. Researching this policy system in a detailed and careful manner offers the potential to extend theory in these two important knowledge areas.

Determining a way to abstract lessons for how public institutions and funding agencies can be structured to facilitate the creation of social capital is a more difficult task. Accomplishing this requires that theory from a number of bodies of literature be
fused together to analyze the grounded theory that emerged from the interview and focus group data.

2.1 THEORETICAL FRAMEWORKS

2.1.1 AGENDA SETTING AND POLICY FORMATION

Kingdon differentiates between the “governmental agenda” — which he defines as the list of subjects that are getting attention — and the “decision agenda” — which are the subjects within that agenda that are up for active consideration. As Kingdon suggests, getting placed on either of these agendas is not easy. There is an infinite list of subjects or problems competing for the attention of decision-makers, both within the bureaucratic realm, as well as in the political sphere. According to Kingdon, to move an idea higher up on the agenda, three separate process streams must come together. The problem stream refers to the process of identifying and focusing on a given problem. The policy stream is the process by which proposals that purport to solve the problem are generated and presented for serious consideration. The political stream involves factors that influence agendas such as public opinion and the voices of opposition or advocacy groups, electoral platforms and election results.

These three process streams operate relatively independently of one another, each with its own dynamics and following separate rules. It is when the three streams come together that the greatest opportunity for serious discussion and potential action occurs. Solutions become joined to problems which are in turn met with favourable political forces. Proposals that are the most likely to be seriously considered and accepted are ones that proponents can demonstrate are technically feasible, meet community and decision-
maker values and represent acceptable costs with minimal risk. When the policy window opens during the brief period that the three streams come together, advocates must be ready to seize the opportunity to move their proposal forward. As Kingdon demonstrates in his case studies of health care and transportation policy in the United States, it is almost always possible to identify a “policy entrepreneur” — a specific person or group of individuals, who invested considerable energy to ensure a particular policy solution meets the political litmus tests and is ready to be moved higher up on the decision agenda.

Through a case study of the introduction of universal Medicare in Canada, Marchildon investigated the extent to which Kingdon’s findings, originally based on case studies of agenda setting in the United States, is relevant to a Westminster parliamentary system. He concludes that despite the difference between the Canadian and American political systems many of Kingdon’s findings are transferrable to countries with fused legislative and executive decision-making authority. In particular, Marchildon demonstrated through his research, as Kingdon did with his, the centrality of political rather than bureaucratic or interest group actors in the agenda-setting stage of the policy process. He shows, however, that in a more unitary parliamentary system, where the executive plays a more critical role in setting the legislative agenda, changes in government and electoral mandates play a larger role in agenda setting. Exploring how and why Saskatchewan pursued such a different approach with their provincial lottery than surrounding jurisdictions provides another opportunity to test the extent to which Kingdon’s theory is transferrable to the Canadian policy context.
2.1.2 HISTORICAL INSTITUTIONALISM AND PATH DEPENDENCY

While Kingdon’s theory for agenda setting serves as a useful tool for understanding why Saskatchewan took a different path on lotteries than other provinces, Paul Pierson’s institutional concepts may be more useful for explaining the subsequent evolution of the system. Pierson cautions social scientists from taking “snapshot” views of the form and function or political outcomes of institutions at a particular moment in time that neglect to take into regard the temporal sequence of events and processes that led to the policy outcomes they are examining. Such “snapshot” perspectives can easily lead to the mistaken assumption that successful policy interventions were the intended outcomes of far-sighted, purposeful actors, or that an explanation for an institution’s creation can be derived only by analyzing its long-term effects.

Pierson’s advice to take a “moving picture” perspective that reflects the historical sequencing of change is particularly relevant for this case study. The lottery-funded sport, culture and recreation system in Saskatchewan is a very complex institutional arrangement which did not follow a linear trajectory. When the lottery legislation was enacted in 1974, the volunteer-sector partners were responsible for only limited aspects of the sport, culture and recreation policy and programming. Over time, a series of changes were made that reduced the role of government and increased the scope and responsibility of the voluntary-sector groups. Many insights can be gleaned from how this unique collaboration between government and the voluntary sector evolved both in terms of the development of public policy, as well as the delivery of community-based programs. However, in order to analyze the strengths and weaknesses of this distinctive institutional arrangement, it is critical that the original goals and objectives of the
developers be examined. It is also important to reflect on the incremental changes that were implemented over four decades.

Path dependency means that once certain decisions are made and policies are put in place the likelihood of moving in the same direction increases with each step down the path because positive feedback mechanisms make it more difficult to change.\textsuperscript{10} While these path dependent processes — or what Pierson\textsuperscript{11} and Boas\textsuperscript{12} refer to as “increasing returns” mechanisms — played a major role in how the voluntary sport, culture and recreation sectors in Saskatchewan developed, they do not explain the gradual ways the system has changed over time. As Mahoney and Thelen suggest, a growing body of literature demonstrates that seemingly small changes can accumulate into significant institutional transformation.\textsuperscript{13} Thelen identifies two main mechanisms of change: layering and conversion. Layering is defined as the “partial renegotiation of some elements of a given set of institutions while leaving others in place”\textsuperscript{14} or the “grafting of new elements onto an otherwise stable institutional framework.”\textsuperscript{15} Conversion refers to the “redemption of old institutions to new purposes.”\textsuperscript{16}

For analyzing complex processes of institutional change, such as that which occurred within the lottery-funded sport, culture and recreation system in Saskatchewan, the composite standard model of path dependence as developed by Boas provides a useful theoretical framework. Rather than refuting the conclusions drawn by Thelen, Pierson, Mahoney and others about mechanisms of institutional stability and change, Boas suggests a “friendly amendment” which unifies the mechanisms of increasing returns, layering and conversion to show how they are closely interconnected in instances of institutional change.\textsuperscript{17} This chapter will extend Boas’ framework by examining the
common ground between rational choice and historical institutionalism. As Hall demonstrates, rich insight can be gained by acknowledging that institutions are both determinants of behaviour as well as objects of strategic action by purposeful actors (motivated by increasing returns), who have come up with creative solutions to challenges, threats or opportunities.  

2.1.3 INSTITUTIONAL EFFECTIVENESS THEORIES

Elson’s historical analysis of federal government/voluntary sector relations in Canada serves as an exemplary framework to help explain how the sport, culture and recreation sectors in Saskatchewan were able to maintain and enhance their relationship with the province over the years and keep this funding regime intact. Elson demonstrates that the voluntary sector in the United Kingdom has been much more successful in influencing public policy direction than its counterpart in Canada. The primary reason is that the British voluntary sector adopted a formal institutional structure which permitted a more coordinated and strategic approach to dealing with the government. In contrast, the Canadian voluntary sector has suffered from a more ad hoc structure that was less coordinated in representing its interests. The longevity and success of the lottery-based sport, culture and recreation sector in Saskatchewan can be attributed at least in part to the fact that these three sectors established a formal structure that meets most of the criteria Elson identified as necessary for optimum institutional effectiveness.

Galvin’s research on how investments in resources can transform institutional forms and functions helps extend Elson’s theory of how to enhance institutional effectiveness. Resource investments made during one period can serve to widen an institution’s path and enhance its capacity to undertake a broader range of activities in
subsequent periods. Over time, these investments can gradually transform institutional operations and purposes.\textsuperscript{20} For instance, hiring staff and investing in training or other efforts to improve operations can serve to enhance an institution’s capacity to adapt to change, to solve new problems and take on new challenges.\textsuperscript{21} In contrast to path-dependent processes, which narrow the range of options over time and generate “lock-in” effects, long-term resource investments allow creative actors to gradually alter institutional purposes. As agents receive more resources they gradually deploy them in new ways contributing to a gradual process of institutional transformation. The shift is not necessarily intentional. Rather, it can be the unintended consequence of self-interested individuals and organizations pursuing short or medium-term goals within a changing environment.\textsuperscript{22}

Chapters six and seven will demonstrate how investments in human resources and information assets during the late 1970s allowed lottery-funded organizations to take over programs and responsibilities that were previously delivered by the civil service. A neo-liberal government that favoured less direct government involvement in the economy was elected in 1982. By the beginning of this government’s second term the province and governments across Canada were also facing many fiscal challenges. In Saskatchewan this prompted a re-examination of how sport, culture and recreation should be funded and how much money should be directed to these sectors.
2.2 LITERATURE REVIEW

2.2.1 PUBLIC POLICY AND THE HISTORY AND REGULATION OF GAMBLING

Given the social problems associated with gambling to both individuals and society, a strong case can be made that governments should demonstrate that they are acting in the public interest. As Smith and Rubenstein note: “Governments engender public trust by being openly accountable for their policies, actions and mistakes.” Governments should, therefore, be fully transparent in informing the public how they are raising money from gambling. State representatives should also demonstrate what they are spending this money on and why spending decisions are in the best interests of the communities they serve.

Gambling and public policy research has been directed in two main areas. The first area is broadly referred to as the “problem gambling” literature. These studies assess the health and societal costs of gambling and the need for agencies, programs and treatment centres to address these concerns. A second body of literature measures the aggregate social impacts or negative aspects of gambling with the positive impacts — the financial or economic benefits. While there has been some research exploring the history of gambling and its relationship with the voluntary sector, this remains an under-explored area. There is also a dearth of research which specifically tackles the implications of the various approaches government can take with gambling revenue. We can come closer to addressing this void by adding theoretical insights from the voluntary sector/government relations, social capital, collaborative governance and organizational empowerment literature.
Ferentzy, Turner and Skinner’s 2009 annotated bibliography has more than 250 entries on the subject of problem gambling. No effort was made in this report to critically appraise or review the studies. Canadian researchers Williams, Rehn and Stevens are at the forefront of the scholarly debate around social and economic impacts of gambling. Their exhaustive 2011 study done on behalf of the Canadian Consortium for Gambling Research, comprised of the country’s leading provincial and federal organizations committed to funding gambling research, reviewed 492 studies done in jurisdictions around the globe. This report documents the debate about the best methodological and theoretical approaches to analyzing the social and economic impacts of gambling. The authors concluded there is no reliable way to aggregate the overall positive and negative nature of gambling and that this will always be a subjective exercise.

Cosgrave and Klassen extend the gambling literature with their thought-provoking collection of essays on the key cultural, social and political issues associated with gambling expansion in Canada. Readers are provided with an overview of the history of gambling in Canada and the scope of issues that arise from the controversial role of government acting as a promoter of gambling activities. Missing from Cosgrave and Klassen’s analysis and most other contributions to the gambling studies literature is an examination of the questions which arise from the intersection of government regulation and participation in gambling and the public good generated by voluntary organizations funded through gaming proceeds. How governments have chosen to distribute revenues from state-directed gambling and the role that nonprofit communities
have had in advocating for increased participation and benefits from gambling remains an under-studied area.

2.2.1.2 Gambling and its Intersection with the Voluntary Sector

In 1998, Campbell and Smith noted that there has been little scholarly attention to the history of gambling in Canada, something they suggest is surprising given that legal gambling has become a multi-billion dollar industry and a contentious public policy subject. Since then some of the gaps in the knowledge base of the history and public policy implications of state-directed gambling have been filled. Morton’s *At Odds: Gambling and Canadians, 1919-1969*, is a social history of gambling regulation in five Canadian provinces — Nova Scotia, Quebec, Ontario, Manitoba and British Columbia from the First World War until federal legalization in 1969. Morton explains the changes in public attitudes and how gambling was transformed from a moral and legal vice to an acceptable activity to fund the Canadian welfare state. She provides historical evidence to show that revenues to churches and other charitable organizations helped soften the voices of gambling critics and paved the way to the eventual decriminalization of gambling. Belanger has also made a significant contribution to the history of gambling in Canada. Through his book, *Gambling with the Future: The Evolution of Aboriginal Gaming in Canada*, published in 2006 and his edited volume, *First Nations Gaming in Canada*, Belanger examines the types of arrangements that First Nations communities have reached with provincial governments to operate gambling institutions. The role these institutions play in promoting economic development for First Nations people is assessed and the challenges they will face in the future is discussed.
Campbell’s work for the Canada West Foundation also sheds light on the complex role that charitable and nonprofit organizations played in influencing provincial laws and policies on gambling in British Columbia (BC) in the late 20th century. Lee’s 2005 study examines the role local governments played in the expansion of gambling in BC. He concluded that municipalities in BC have had more influence on provincial gaming policy than other local governments in Canada did. Lee shows how BC municipalities developed strategic partnerships with charitable organizations to promote and benefit from gambling expansion.

Campbell’s earlier work on the charitable gaming sector in Alberta also provides a good starting point for unravelling the relationship the government and the nonprofit sector had in legitimizing and expanding the gambling sector in that province. No comparable research has been done on the influence of nonprofit organizations on gaming policy formulation in other provinces. However, Campbell’s study of BC and Berdahl’s work in 1999 demonstrates that a clear pattern had emerged by the end of the 1990s of increasing reliance on gaming revenues as a means of funding programs and services offered by the voluntary sector. Berdahl’s research is the only scholarly work which compares and contrasts in some detail the strengths and weaknesses of formal gambling granting programs in Canada and assesses the impact these programs have had on the Canadian nonprofit sector.

Berdahl’s research was part of a larger study on gambling conducted by the Canada West Foundation, a Calgary-based nonprofit research institute. This three-year national study of gambling in Canada provided a comprehensive survey of the public policy issues surrounding gambling in Canada including the history and scope of
gambling in Canada, the socio-economic impact of gambling on communities and public opinions and attitudes on gambling. Berdahl’s report focused on the impact of gambling on the nonprofit sector. Quantitative data were gathered through a mail survey and sent to a sample of nonprofit agencies that received gambling grants in Ontario, Saskatchewan and Alberta between 1995 and 1998. A series of telephone interviews with self-selected respondents from the mail survey provided qualitative data. Employees of organizations interviewed by Berdahl stressed the long-term funding provided by Saskatchewan Lotteries offered organizational stability and that volunteers knowledgeable about their sectors were making decisions on the grant criteria.

As one grant recipient said, “With lotteries, we know what we’re eligible for, and unless we do a poor job of accounting for the spending of the money we know we are going to get that money.”36 Another individual interviewed in this study said: “It’s all run by volunteers in terms of adjudication. And it’s people who know the system from within and have a real sense of when organizations have a tendency to veer off… So they can monitor and challenge them to accountability.”37 Berdahl concluded there was a “paucity of research into gambling and the nonprofit sector” and a need for “clear data …on the impact of charitable gaming upon the nonprofit sector, the role of nonprofits in Canadian gaming expansion, and the overall funding stability of the nonprofit sector.”38

No other academic research has been done either on the history or the outcomes of the Saskatchewan Lotteries system. A cursory look at the significance the provincial lottery has had in Saskatchewan for the recreation community and some of the changes that took place in the lottery-funded sectors are covered in the two organizational histories commissioned by the Saskatchewan Parks and Recreation Association.39 No
similar history projects have been undertaken for the other two communities which benefit from the provincial lottery, although Nicholl’s 1982 doctoral dissertation provides an important contribution to the early history of Sask Sport and the importance the lottery had on sport programming during the organization’s formative years. No further research has been published which updates Nicholl’s research on the organizational strengths and weaknesses of the provincial sport sector in western Canada.40

There is also a noticeable research gap concerning the history of cultural policy and programming in Saskatchewan. Elliott made a significant contribution with his detailed examination of the Saskatchewan Arts Board from its inception in 1948 to 1970.41 Weseen and Olfert’s 2008 report for the Saskatchewan Institute of Public Policy is the only scholarly overview and assessment of the complex system for funding arts and culture in Saskatchewan. While their policy paper includes a discussion of major changes in cultural policy since 1972 and examines the commitment by the government to fund the arts and culture through lottery proceeds, it only scratches the surface of how the provincial lottery has impacted the cultural sector in the province.42

2.2.1.3 Comparative Historical Studies

When it comes to cross-national comparisons of how the gambling industry is structured and the role of government in this sector, even greater research gaps exist. One of the most important contributions in this area is Chamber’s historical analysis of the adoption of lotteries, casinos and gaming machines outside of casinos in Australia, the US and Canada. Chambers supplemented his comparative case-study findings with information from 23 other western countries.43 Thompson’s two-volume International Encyclopedia of Gambling provides an interesting overview of the approaches to gambling taken by
most countries in the world but the majority of the entries provide only brief descriptions without the level of detail or analysis necessary to assist policy analysts in understanding the implications of the various regulatory and funding models.\textsuperscript{44} Thompson’s work is also outdated because much of the research for his 2011 Encyclopedia was based on his \textit{Gambling in America: An Encyclopedia of History, Issues and Society}\textsuperscript{45} published in 2001, and material from his collaborative work with Chabot, Tottenham and Braulich in 1999.\textsuperscript{46}

\subsection*{2.2.2 VOLUNTARY SECTOR/GOVERNMENT RELATIONS AND SOCIAL CAPITAL}

To fully understand the implications of the different approaches available to states for organizing and using the proceeds from gambling, much can be learned from the rich body of literature on voluntary sector/government relations and social capital. As voluntary sector scholar Susan Phillips has noted, there are major gaps in our understanding of the strengths and weaknesses of various government funding policies for non-governmental organizations. Funding, she notes, is about more than money. While the amount of money directed to a sector is certainly important, equally if not more important is how the money flows. The instruments used — grants, contracts, loans, the time horizons placed on them, and the conditions attached (reporting requirements, accountability measures, expectations of matching funding or collaboration) — can either restrict social innovation and community engagement or facilitate it.\textsuperscript{47}

\subsubsection*{2.2.2.1 Social Capital}

The study of how relationships between government and the voluntary sector can contribute to or impact negatively on civil society and citizenship, pervades almost every
field of the social sciences. This topic, and the questions it raises about how social interaction in community-based organizations operates and how participation in civil society has social and political implications for the wider society has been addressed in numerous ways. One of the most widely debated topics within this larger discussion is how social capital can be used as a tool for public policy.48

This debate centres around the lack of conceptual and empirical clarity regarding the way to measure the outcomes of social capital or how it can be used as a policy tool. There are, however, six agreed-upon but somewhat overlapping dimensions of social capital. (1) groups and networks, (2) trust and solidarity, (3) collective action and cooperation, (4) information and communication, (5) social cohesion and inclusion and (6) empowerment and political action. These dimensions reflect two different ways of thinking about social capital.49

The first approach focuses on how social relationships act as a means through which individuals, households or small groups can secure (or be denied) access to resources. From this standpoint those who occupy key strategic positions in a network are believed to have more social capital than others because their social relationships and positions give them better access to and control over valued resources. Inherent in this approach is that the distribution of social capital within communities is unequal and can function as a method of exclusion as well as inclusion. This is the approach often associated with sociologist Pierre Bourdieu. A different way of thinking about social capital takes the community as the unit of analysis. The focus is turned to the way in which community members interact and collaborate, particularly on issues of shared concern and the nature of their involvement in informal and formal civic organizations.
Particular attention is paid to the role of state and legal institutions in facilitating or undermining civic involvement. This approach is more closely associated with political scientist Robert Putnam.\textsuperscript{50}

Putnam’s comparative study of communities in northern and southern Italy, provide empirical evidence of the effectiveness of community-based networks. Putnam examined a range of issues including party politics, ideology, affluence and prosperity, social stability, political harmony and civic movements. He concluded that “networks of civic engagement” foster reciprocity, communication and collaboration and that the best indicator of failure in government in the south of Italy was the absence of traditions of civic engagement.\textsuperscript{51} Putnam extended this thinking in his classic study \textit{Bowling Alone} where he makes the case that civic institutions, both public and private, must be reformed in ways that invite more active participation. He also suggests there is a need to look for ways to make institutions more social-capital friendly. Putnam contends that many of the most creative investments in social capital were the direct result of government policy.\textsuperscript{52} In this sense, the voluntary sector becomes an active partner in the delivery of public services thereby empowering citizens and building strong and more cohesive local communities.\textsuperscript{53} This is the premise behind much of the work of voluntary sector researchers who argue that social capital is created because networks of trust are built through interpersonal interaction at the community level fostered by nonprofit organizations.\textsuperscript{54}

2.2.2.1.1 Sport and Social Capital

Even a cursory review of the public discourses on sport and recreation shows that politicians and policy makers, sport administrators and athletes, and academics and
journalists believe that sport is a vehicle for the creation of social capital. However, despite widespread public pronouncements and policy declarations, the relationship between sport and social capital remains under-examined by scholars. Australian sports management educators Nicholson and Hoye partially address this research gap with their 2008 edited volume *Sport and Social Capital*. Canadian scholars Jean Harvey, Maurice Léveque and Peter Donnelly also provide valuable insight into the relationship between sport volunteerism and social capital. They draw the same conclusion as Nicholson and Hoye: our knowledge of the connections between sport and social capital remains limited and fragmented.

However, Harvey and his colleagues provide convincing evidence, through surveys conducted with volunteers in Ontario and Quebec, that there is a link between volunteering in sport organizations and social capital. They use quantitative tools for social capital developed by Dutch researchers and adapted to Canadian society, to measure individuals’ access to people with different social statuses and access to resources that respondents have through social networks. The sports policy field is also advanced through Harvey and Thibault’s 2013 edited volume *Sport Policy in Canada*. Contributions by Frisby and Ponic on social inclusion and by Donnelly on sport participation are particularly relevant to a discussion of how sport contributes to social capital.

Social inclusion has been defined by sport policy scholars as “the process of creating just and equitable systems that facilitate people’s choices and opportunities to engage (or not) in a wide range of social and democratic activities, including sport and recreation.” Many reasons have been cited for the rise in social inclusion policies in
government and sport. Individuals are seen to benefit by learning skills like intra-personal communication, confidence, perseverance, team-playing and leadership. Neighbourhoods and communities become stronger and more cohesive through the inclusion of individuals who differ from mainstream society in their beliefs, backgrounds, customs and abilities. Interaction between diverse groups is seen as an effective way to dispel myths and stereotypes that result from fear of differences.60

The type of “social capital” that is built through social inclusion policies and policies to encourage broader rates of participation in sport is what Putnam defines as “bridging” social capital or open networks that are “outward looking and encompass people across diverse social cleavages.”61 The distinction is often made in the literature between “bridging” social capital and “bonding” social capital which consists of “inward looking [networks that] tend to reinforce exclusive identities and homogeneous groups.”62 The distinction between bridging and bonding offers a theoretical framework that acknowledges that social capital is capable of both collective good and evil. Patulny and Svendsen reject the often binary distinction that is made between bonding and bridging in the literature, citing the work of social geographer Colin Williams who cautions researchers from privileging bridging social capital over bonding social capital. Williams asks: “What is so wrong with having deep relationships with other individuals rather than fleeting acquaintances?”63

Work by Aboriginal sport scholars in Canada supports efforts to build bonding social capital through an alternative sport system where Aboriginal sport connects to the mainstream sport system yet remains distinct.64 The concept of the “double helix” is used by the national Aboriginal Sport Circle to describe the relationship between the
mainstream and Aboriginal sport systems in Canada. The Aboriginal sport system represents one strand of the double helix while the mainstream sport system represents the second. The two systems, or strands, of the double helix are stabilized by cross-links which represent sites where Aboriginal sport connects to, yet remains distinct from, the mainstream sport model. The double helix conveys movement between the two systems, something theorists in the social capital tradition refer to as “bridging” social capital. 65

Forsyth and Paraschak also applaud Sport Canada for its formal recognition and support of Aboriginal sport and funding through bilateral agreements with the provinces. These agreements help increase Aboriginal participation to the large-scale sporting events like the North American Indigenous Games.66 Absent in the discussion on Aboriginal sport policy in Canada is the contribution that Saskatchewan has played through its efforts to work with these communities to direct lottery funds to the Aboriginal sport system as well as to develop programs that bridge the two systems.67

A discussion on sport and how it can potentially lead to social capital is not complete without an understanding of the history and implications of national sport policies and key policy documents. In the opening chapter of their edited volume, Thibault and Harvey provide an overview of the major policy interventions taken by the Canadian government since the 1960s.68 Debate within sport policy circles centres around what the appropriate balance is between support for grassroots participation and high performance sport. Barnes, Cousens and MacLean explore the lack of cooperation between different components of the national sport system and how efforts are being taken to develop new conceptualizations of sport participation and how it relates to elite athlete development.69 Donnelly’s research explores the cost of Canada’s emphasis on
high performance sport, arguing that this focus has come at the expense of mass participation goals. Insights from this debate inform the analysis of interviews and focus groups with members of the amateur sport community conducted for this dissertation.

2.2.2.1.2 Discretion and Local Control to Create Social Capital

Ostrom’s framework for institutional analysis offers suggestions for how institutions can be structured to encourage the creation of social capital. Ostrom was firm in her argument of the need to move beyond the dichotomy between “privatization” and “government control” in the search for decentralized forms of governance which puts more control in the hands of those the resources and services are meant to benefit. Ostrom’s work focused on common pool resource institutions. However, many of the design principles and variables believed to affect the success of self-organized governance systems can be extended to the study of funding regimes.

Ostrom demonstrated there was a higher likelihood of success in managing resources effectively if certain conditions are met. She showed that the probability of long-term institutional survival is increased if there is repeated opportunity for face-to-face communication allowing key players to build trust among participants and solve potential problems together. Another key finding from Ostrom’s research is there is greater chance of success if the individuals or groups using resources or benefiting from a policy play an active role in developing accountability measures, dispute resolution mechanisms and sanctions for violations.

Ostrom also found that externally imposed regulations or centralized dictates (however well-meaning) “crowd out” voluntary efforts to co-operate and come up with
solutions which meet local needs and contribute to ownership and support. The framework she developed recognizes that actors have agency and purpose, and the manner in which institutions are shaped affects the incentive people have to work together to respond to community problems. Ostrom argued national and regional governmental institutions can facilitate the creation of social capital by citizens by providing space for them to develop solutions that meet the needs of local communities outside the direct realm of government. In other words, individuals must be empowered to work together to create the institutions and to develop program rules and accountability or enforcement mechanisms. Conversely, when governments provide these services themselves they destroy valuable social capital, which is difficult to replace in the short term by government actors and agencies. Ostrom emphasizes that stakeholders must be given a real and meaningful responsibility in these arrangements. She argues that this is difficult, if not impossible to do, through short-term projects. Enhancing the capabilities of local citizens by allowing them the opportunity to solve collective action problems, is a time consuming process that needs to be carried out over the long-term.

2.2.2.1.3 Collaborative Governance

The lessons Ostrom abstracted from her study of successful governance structures for common-pool resources are similar to the discussions in the collaborative governance literature. Collaboration is also a term closely connected to social capital. It has been defined as

…a mutually beneficial relationship between two or more parties to achieve common goals by sharing responsibility and accountability for achieving results. It is more than simply sharing knowledge and information (communication) and more than a relationship that helps each party achieve its own goals (cooperation and coordination). The purpose of collaboration is to create a shared vision and
join strategies to address concerns that go beyond the purview of any particular party.77

Collaborative or negotiated governance is the concept often used to describe efforts by government bodies to work with nonprofit and private sector partners to develop and deliver public services. Collaborative governance can take many forms and the level of decision-making authority varies considerably between examples, as do the governance arrangements, the partners and the goals.78

Among the most highly cited scholars on the theory and practice of collaborative governance, Ansell and Gash characterize the literature in this field as “untidy,” stemming from the fact that it has become a “fashionable management cache” across a wide range of policy sectors that cross numerous disciplinary boundaries.79 Others researching the concept have made similar observations. Emerson, Nabatchi and Balogh, for instance, have declared that even though collaborative governance has become a common term in the public administration literature, its definition remains “amorphous and its use inconsistent.”80 In a similar vein, Huxham, Vangen, Huxham and Eden muse that “[t]he public area is rife with both rhetoric about the potential of collaborative governance and complaints about the difficulty of achieving it in practice,”81 noting many words and phrases have been used to describe efforts to have the public, private and voluntary sectors work more closely to address public policy challenges and opportunities. Words like partnerships or alliances figure frequently in the names of these structures, and phrases like ‘collaboration’, ‘co-ordination’, ‘co-operation’ and ‘network’ are often used interchangeably to describe their function.82

One common approach to defining collaborative governance is to treat it as a paradigm encompassing a set of general principles of public involvement and civic
engagement. Emersen, Nabatchi and Balogh, for instance, define collaborative governance as:

the processes and structures of public policy decision making and management that engage people constructively across the boundaries of public agencies, levels of government, and/or the public, private and civic spheres in order to carry out a public purpose that could not otherwise be accomplished.  

While this definition makes room for the case study which provides the foundation for the model presented in this study, it is not specific enough to capture the true essence of the governance framework represented through the relationship between the lottery-funded sectors and the provincial government in Saskatchewan. The definition of governing arrangement, as advanced by Ansell and Gash, is a more accurate reflection of the practice of collaborative governance evidenced in Saskatchewan: “where one or more public agencies directly engage non-state stakeholders in a collective decision-making process that is formal, consensus-oriented, and deliberative and that aims to make or implement public policy or management of public programs or assets.”

This is in keeping with how Donahue and Zeckhauser define collaborative governance. They see it as “[t]he pursuit of authoritatively chosen public goals by means that include engaging the efforts of, and sharing discretion with, producers outside of government.” In their overview of successful partnerships between government and private partners, they identify the conceptual challenges in designing and implementing this type of governance arrangement. Donahue and Zeckhauser indicate that the collaborative approach is often confused with conventional contracting or charity or what they characterize as “wooly conceptions of public-private partnerships.” They also contend that the concept is often viewed through the “distorting lens of ideology.” By ideology, they mean the political divide between those claiming to be supporters of
strong government versus those on the other side of what they see as a “fundamentally fictitious” divide, that argue for a strong private sector. In their minds, words like “cut,” “keep,” “abolish” and “preserve” which typify the broad policy debate between liberals and conservatives and is framed in terms of the proper size of government stand in the way of productive dialogue and efforts to address public policy dilemmas.

2.2.2.1.4 Organizational Empowerment

Many of the same institutional structures and processes thought to be essential by Donahue and Zeckhauser and other collaborative governance scholars lead to similar outcomes described by Peterson and Zimmerman in their model for organizational empowerment. As Peterson and Zimmerman note, a great deal of attention has been paid on empowerment in the fields of social work, community psychology, health promotion and organizational development, but most of this research has been limited to the question of how to empower individuals to help themselves and improve the communities they live in or the organizations they work for. This focus on the premise that individuals are responsible for their outcomes has given empowerment a bad name and led critics to say it has become a tool to blame the victim or co-opt or placate people. Less studied, they argue, are the variables that characterize organizations that are empowered.

Peterson and Zimmerman define organizational empowerment (OE) as: “organizational efforts that generate personal empowerment among members and organizational effectiveness needed for goal achievement.” While not originally conceived of in the context of cross-sector collaborations, Peterson and Zimmerman’s definition of organizational empowerment and how they operationalize this concept serves as a useful starting point for developing a model which incorporates the “best
practices” for collaborative governance arrangements and for managing common pool resources, something that will be presented in chapter 10.

Peterson and Zimmerman’s conceptual model of empowered organizations includes three components. For each component structural attributes and outcomes that result from these processes or characteristics are identified. The intra-organizational component includes elements of an organization’s internal structure. These processes are described as the infrastructure that allows members to engage in proactive behaviors necessary to achieve organizational goals. Providing opportunities for members to build their skills and take leadership roles are examples of intra-organizational processes. Outcomes of intra-organizational empowerment include variables such as viability, collaboration of co-empowered subgroups and resolved ideological conflict.92

Inter-organizational empowerment includes connections and relations between organizations such as collaboration with other entities. This component of organizational empowerment is thought to be vital because it provides linkages that help organizations gain resources, share information, attain legitimacy, and accomplish goals. Extra-organizational processes include efforts to disseminate information to elected officials and implement public awareness campaigns. Outcomes include influence in the development of public policy, the creation of alternative programs and efforts to shape the broader systems of which they are a part.93
2.3 CONCLUSION

This case study will provide a detailed account of an aspect of the history of gambling not previously explored. Moreover, it will address gaps in a number of key knowledge areas including the intersection of state-directed gambling and efforts governments can take to maximize the public good that can come from this contested revenue stream. Exploring why Saskatchewan chose such a different policy route with its provincial lottery will test Kingdon’s theory of agenda setting within a Westminster parliamentary setting. Outlining the processes and outcomes of a path-dependent policy decision will provide practical insight into how institutions can adjust to change and transform through incremental changes. Finally, the design features and outcomes of successful collaborative governance arrangements will be offered from lessons abstracted from this case study and fused with ideas from a diverse body of theories including the social capital, common pool resources and organizational empowerment literature.

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2Ibid., 4.
3Ibid., 16-20.
4Ibid.
5Ibid., 180.
9Pierson, ”Not just what, but when,” 72.
11Pierson, ”The Limits of Design.”


Elson, High Ideal and Noble Intentions.


Ibid., 6.

Ibid., 3, 6 and 20.

Garry J. Smith and Dan Rubenstein, Accountability and Social Responsibility in Ontario's Legal Gambling Regime (Toronto: ON, Ontario's Problem Gambling Research Centre, 2009), 18.


Williams, Rehm and Stevens, “The Social and Economic Impacts of Gambling.”


Yale D. Belanger, Gambling with the Future: The Evolution of Aboriginal Gaming in Canada (Saskatoon, Saskatchewan: Purich Publishing Ltd., 2006).


Ibid., 59.
38Ibid., vii.
43Kerry Glenn-Edward Chambers, "Gambling-for-Profit in Late Modernity" (Ph.D. diss., Dalhousie University, 2008).
50Ibid.
56Ibid.
62Ibid.


Ibid, 288-289.

Ibid., 289.


Martha Barnes, Laura Cousens and Joanne MacLean, “From Silos to Synergies: A Network Perspective of the Canadian Sport System,” International Journal of Sport Management and Marketing 2, no. 5-6 (2007):555-571.


Ibid., 13.


Ibid.


82 Ibid., 339.
91 Ibid., 130.
92 Ibid., 134-135.
93 Ibid. 137-139.
Numerous methodologists have argued that the first step all academics should take before they embark on a research project is to critically examine the set of assumptions they have of the social world. The world view or paradigm he/she subscribes to must then act as the methodological underpinnings for their research and set the context for their study.\(^1\) In keeping with this advice, this chapter begins by outlining the philosophical foundations of the interpretivist paradigm which the author subscribes to. This will be followed by a discussion of the methodological implications that emanate from these foundations. By making these beliefs explicit the reader will then be in a better position to judge the appropriateness of the research design, the methods that were employed and the trustworthiness of the findings.

### 3.1 PHILOSOPHICAL UNDERPINNINGS OF THE RESEARCH

The interpretivist paradigm is based on a constructionist ontology which rejects the assumption that a single, objective reality exists. In this sense, it is not possible to provide a definitive account of social phenomena because multiple perspectives must be taken into regard. These viewpoints are bound by time and context and continually evolving. The role of the researcher is to focus attention on explaining how different groups construct their social reality and to describe the world as they see it. This is in marked contrast to the researcher subscribing to a realist ontology that underpins the other dominant social science tradition - positivism. Positivists view the social world similar to
the natural world, with properties that can be measured and structures and relationships that are seen to be consistent and stable.\(^2\)

The interpretivist researcher rejects the epistemological belief that there should be strict adherence to scientific protocols and research designs that are fixed and inflexible. The idea that the researcher should be independent and separated from their subjects is also discounted.\(^3\) Interpretivists believe that meaning is hidden and can only be brought to the surface when researchers interact with participants in an effort to understand their experiences.\(^4\) The goal of the research is to rely as much as possible on how the participants make sense of situations or phenomenon. Rather than starting with a theory as positivists do, interpretivist researchers inductively develop theory as the study unfolds.\(^5\)

When designing the enquiry, insight from two case study scholars — Yin\(^6\) and Stake\(^7\) — was drawn upon. Yin subscribes to the ontological belief that there is a “real” reality that can be apprehended if the steps he outlines for conducting case study research are rigidly followed.\(^8\) Positivist thinkers like Yin believe there should be a clear separation between the investigator and the research subjects in order to remain objective and not let their biases influence the outcomes.\(^9\) In contrast, constructivist researchers like Stake view detachment and author objectivity as barriers to quality, not assurance that it has been achieved.\(^10\) Stake rejects the possibility that researchers can ever be truly objective, impartial observers is rejected. Instead, the goal is to develop a partnership with contributors to create a mutual construction of meaning.\(^11\)

Based on their assumptions of reality, positivists attempt to identify time and context-free generalizations, with the goal being to explain, predict and discover causal
linkages. Constructivists take a more historical, holistic approach to research by seeking to determine motives and meanings that are time and context-bound. Individuals who are being studied help guide the research as well as supply information. As such, in a constructivist study the research design is continually evolving. When it comes to evaluation, positivists subscribe to standardized and definitive protocols. Evaluative criteria for the constructivist researcher are much different.\textsuperscript{12} Researchers who use qualitative research methods and frame their studies in an interpretive paradigm focus on various measures of trustworthiness to help demonstrate the conceptual soundness of their work. Positivistic criteria such as internal and external validity, reliability and objectivity are rejected in favour of other measures which more accurately reflect a view of the world as socially constructed.\textsuperscript{13}

For this case study Yin’s post-positivist stance was rejected in favour of Stake’s approach. However, much of Yin’s advice for designing and carrying out case studies remained helpful. In particular, his recommendation to develop a case study protocol which includes different levels of questions, as reminders for the researcher about the information that needs to be collected, and why, served helpful in keeping the research project organized.\textsuperscript{14} Table 3.1. Sequential Phases of Questioning shows the types of questions that were posed at various stages of the research process.
Table 3.1. Sequential Phases of Questioning

<table>
<thead>
<tr>
<th>Level 1: Questions posed of specific interviewees or particular cohort</th>
<th>In keeping with the spirit of grounded theory, the study began with a list of very general questions and through the use of the constant comparative method, and continuous reflection after each interview, questions became more focused as each new “set of eyes” allowed for further clarification and shared impressions of the evolving themes (Lauckner, Paterson and Krupa 2012, 12-13).</th>
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<tr>
<td>Level 2: questions asked of the individual case and sub-units within the larger case (these are the higher level research questions meant to be answered by the investigator).</td>
<td>After the first phase of interviews, these questions were refined to focus more specifically on how this particular collaborative partnership contributed to community development.</td>
</tr>
<tr>
<td>Level 3: questions asked of the pattern of findings across multiple cases;</td>
<td>For the purposes of this study, the focus for questions at this level was on how findings within the lottery-based amateur sport sector compared and contrasted with the culture and recreation sectors in Saskatchewan.</td>
</tr>
<tr>
<td>Level 4: questions asked of the entire study – for example, calling on information beyond the case study evidence and including other literature or published data that may have been reviewed</td>
<td>Once it became clear that the Saskatchewan Lottery model was a successful example of government/voluntary sector collaboration and community development the extant literature was reviewed with the goal of comparing and contrasting the study’s findings with other case studies and published reflections on the topic area.</td>
</tr>
<tr>
<td>Level 5: Normative questions about policy recommendations and conclusions, going beyond the narrow scope of the study.</td>
<td>At this level Rose’s monograph on how to draw public policy lessons was a valuable source. Rose’s work served as a “check” against the historian’s tendency to highlight the unique aspects of the case at the expense of generalizable lessons policy analysts interested in government/voluntary sector collaborations can take from the case.</td>
</tr>
</tbody>
</table>

As adapted from Yin15
A similar approach was taken when reflecting on the many “how to” books and articles for conducting the grounded theory which emerged from the oral history accounts. Many of the foundational texts, such as Glaser and Strauss’s classic book *The Discovery of Grounded Theory*\(^{16}\) and Corbin and Strauss’s *Basics of Grounded Theory*\(^{17}\), provide more practical guidelines on the technique of “doing” grounded theory than Charmaz, the leading proponent of constructivist grounded theory.\(^{18}\)

### 3.2 CASE STUDIES AND HISTORICAL METHODS

As health care policy scholars Klein and Marmor emphasize, “[w]ithout history there can be no understanding of public policy. And without history there can also be no realistic evaluation of public policy.”\(^{19}\) Political scientist and public policy expert Richard Rose has similar advice on the need to incorporate historical analysis into the public policy process. Rose cautions those wishing to learn lessons from the success or failure of programs or policy applications from other jurisdictions about being too hasty in drawing conclusions by only examining the present. As he tells those reading one of his guides to studying comparative politics and public policy, “No point in time contains its own explanation.”\(^{20}\) The past has two important faces and policy analysts must be careful not to ignore either of them. The first — history-as-continuity — means that the continuance of programs launched decades or even generations ago often pre-empts present options or choice. The second face — history-as-intelligence — speaks to the idea of learning from the success or failure of past times and places.\(^{21}\)

Historian Ronald Fullerton also warns scholars to avoid the “sin of anachronism” — the temptation to read the present into the past when examining the evolution of
organizational entities. As Fullerton suggests, the past also “has to be understood on its own terms. The contexts of events are crucial. It is all too easy to read our present day concerns into it, but that would be to weaken it as history. The past saw thing differently, sometimes very differently.” When histories are done of contemporary organizations, the historical method begins to overlap with that of the case study. Histories often deal with the “dead” past when the people who lived through the events are no longer alive to report what occurred, thus requiring the researcher to rely on primary and secondary documents and cultural and physical artifacts as the main sources of evidence. The lottery-funded sport, culture and recreation system in Saskatchewan was established in 1974. This makes it old enough to be firmly rooted in the past but recent enough that many of its founders and people central to its evolution are still alive.

Sask Sport provided unfettered access to their organizational files, including policy papers, organizational plans, minutes and action items arising from executive and board meetings, internal memos and other material dating to the late 1960s when the idea of creating a federation to act as the collective voice for amateur sport was still in its infancy. A number of people within SaskCulture and SPRA also provided access to internal reports. The archival papers of two former Saskatchewan premiers and three cabinet ministers who were responsible for the lottery portfolio were also examined. In addition, material issued outside formal channels of public dissemination such as annual reports and financial statements, public accounts and task forces proved valuable.

Although these written sources may have the advantage of not being influenced by later events or otherwise changing over time, on their own they provided only a partial historical account. The recognition of the inadequacy of written documentation has
resulted in a growing interest and acceptance of oral history. As historian Donald A. Ritchie contends, “[t]he memories of direct participants are sources far too rich for historical researchers to ignore.”24 Constructing an accurate portrait of the history of the policy system at the heart of this study would have been difficult without the ability to collect the memories and personal commentaries of many of the original founders of Sask Sport and staff, volunteers, civil servants and political leaders.

The ability to develop a rich and nuanced description of how the lottery system developed was also enhanced by having access to the original oral history sources of two researchers who did studies in areas which touched on some of the historical background of the Saskatchewan Lottery system. Nicholls kept very detailed files on the early history of Sask Sport for his 1982 dissertation, which compared and contrasted the strengths and weaknesses of amateur sport federations in Western Canada.25 Of most importance to this study were the transcripts from interviews Nicholls conducted in 1977 with staff, volunteers and civil servants — many of whom are no longer alive. Nearly a decade later, Nixon conducted a series of interviews for her co-authored book on the history of the Saskatchewan Parks and Recreation Association.26 Transcripts from these two sets of interviews could later be compared with information learned from the interviews undertaken for this study. Some of these interviews were with people that Nixon and Nicholls had also turned to as sources. This provided the ability to compare how central figures recalled the same subject material when they were younger and more closely immersed in the lottery system and the amateur sport or recreation world with their subsequent reflections on the same events.27
3.3 OVERVIEW OF THE RESEARCH PROCESS

The research for this study took place between February 2011 and April 2014 in four distinct phases. The first explored why and how the amateur sport sector was able to secure the provincial lottery as a fundraiser for sport, culture and recreation in Saskatchewan. Twelve interviews with senior Sask Sport staff, volunteers and civil servants knowledgeable of the early history of the lottery system were conducted in 2011. During the initial research phase, a purposeful, snowball sample design was used to determine who to interview, beginning with two senior managers at Sask Sport who suggested other people to talk to. These interviews were open-ended and general in their focus.

The second phase was a more detailed case study of the evolution of Sask Sport and the lottery-funded amateur sport system. The focus during this phase was on determining why this model for lottery administration had had such longevity, surviving several changes in government administrations. The research questions remained very wide-ranging. No pre-conceived hypotheses about what would emerge from the interviews were formulated. Phase three broadened the study to include civil servants and members of the cultural and recreation communities. These interviews more specifically probed participants on the relationship between the provincial government and the sport, culture and recreation communities.

In total, between March of 2011 and April 2014, ninety individuals were interviewed (some several times) and four “member-checking” sessions were held with key volunteers and staff to question and expand on research findings. Since this funding model has survived six different political administrations and nearly four decades care
was taken to speak to people from all eras and entry points to the system. Several themes emerged from the interviews which led to the conclusion that a trustworthy reflection of the perspectives of amateur sport volunteers, civil servants and political leaders and Sask Sport staff had been obtained. Missing from the study were the voices of present-day employees of provincial sport governing bodies. It was also felt that more insight into the culture and recreation sectors was necessary to determine how the findings compared with amateur sport. These gaps would be filled through a series of focus groups.

Five focus groups were held in February and March of 2014. One session was with staff of lottery-funded provincial cultural organizations. Participants included senior employees who had worked with their organization for a minimum of five years. Representatives from the three main branches of culture — arts, heritage and multicultural organizations — were included. A second focus group was conducted with long-serving volunteers of provincial cultural organizations. Two focus groups were held with executive directors of provincial sport governing bodies who had been with their organizations five years or longer. Since the recreation sector is structured and funded in a much different manner than the sport and cultural communities, it was decided to meet with field staff employed by the Saskatchewan Parks and Recreation Association. These employees reside in a number of rural communities throughout Saskatchewan and act as the primary intermediaries with municipal recreational partners.

3.3.1 THE INTERVIEW PROCESS

Interviews were semi-structured and audio-recorded with a digital voice recorder. The majority of the interviews were conducted face-to-face — with care taken to allow the interviewees a choice of where the conversations would take place. Video-conferencing
or Skype was considered for interviews with people who lived outside of Regina or Saskatoon but these technologies were ruled out because most of the participants preferred telephone calls to these more logistically demanding options.

With the phone interviews it was important to be mindful that visual clues such as eye contact and facial expressions would be missing from the interactions. This made it especially important to establish a rapport with the subjects during pre-interview phone calls and email correspondence and ascertain their level of interest in the study. Since telephone interviews are more difficult to conduct than direct interviews, when possible they were held later in the research process once the subject matter was more familiar to the researcher and some of the themes had begun to emerge. This facilitated more active listening and the ability to gauge changes in the tone of the participants’ voices.28

Since participants were chosen because of their specific entry-point or involvement in the lottery system, a number of broad-based questions pertinent to their area of expertise served as guiding points for the interviews. All interviews began with a request for a brief professional history of the interviewee and a description of how he/she became involved with the sport, culture or recreation world and Saskatchewan Lotteries. These narratives typically lasted between ten to fifteen minutes and served as a basis for follow-up questions that had not been anticipated before the interview began. Most interviews were between 60 to 90 minutes long — the longest usually being senior staff and high-level civil servants, the shortest being the political representatives.

Conducting interviews from a constructivist stance necessitates that the researcher be reflexive and flexible, ever mindful that an interview is considered a means of joint knowledge construction. As a way to foster reciprocity, participants were presented some
of the emerging theoretical ideas and asked for their feedback. Sometimes the interpretation resonated with them, and at other times participants clarified or enhanced the ideas that had been shared with them to better reflect their personal perspectives. In some cases gaps in the historical records that led to incorrect inferences on the researcher’s part were rejected. In this sense, the themes or essential aspects of the story and historical record were co-constructed with the participants.29

3.3.2 ASSIGNING CODE NAMES

Since this study combines two distinct disciplines — history and public policy — a decision was made to include the names of individuals within the endnotes when they were speaking about events or circumstances in which they were part of the official public record and therefore easily identifiable by anyone with any knowledge of the historical era under discussion. In other cases, when it was deemed necessary or preferable to assure anonymity, participants were grouped into categories and assigned an appropriate code and number. When direct quotations were used by interview or focus group participants, they were referenced in endnotes using their assigned code. This provided an appropriate level of anonymity. This approach also allows the reader to see that a broad range of the interview participants contributed to the themes made explicit throughout the study. More information on how the interview and focus groups were coded and the number and categories of participants is included in the reference section at the end of the study.
3.3.3 THE TRANSCRIPTION PROCESS

Initially, the transcripts were completed by the author. Because there were so many deficiencies in the archival records there was a need to do far more interviews than originally expected in order to ensure an accurate picture of the historical record was obtained. Since transcription turned out to be a time-consuming process, the decision was made, after the first fifteen interviews were completed, to contract a private firm to do the transcribing. Once these transcripts were returned they were reviewed for accuracy and corrected so that they were a verbatim account of the digital recordings. The benefit of this approach was that when the draft transcript was read there was more time to listen to the interview and reflect on what the interviewees had been talking about. The significance of what the informants had shared could be more thoroughly questioned and an assessment made on how confident (or hesitant) they were in their answers, and the extent to which their answers were consistent or conflicted with other interviewees. More time could also be spent preparing for successive interviews. In this sense, as Bird describes in her self-reflective article on the methodological issues related to transcription, greater reflexivity and added rigor was brought to the research process.30

3.4 CONSTRUCTING GROUNDED THEORY

In grounded theory data collection and data analysis are done simultaneously through processes called the constant comparative process and theoretical sampling. Constant comparison is the simultaneous process of coding and analysis. The purpose of joint coding and analysis is to push researchers to reflect on the information they are analyzing in a more systematic way, usually through the use of “memos” to record their
observations and insight. This practice helps generate theory because the researchers are continually redesigning and reintegrating their conceptualizations as they review their material. In theoretical sampling, the researcher must use themes that emerge from previous interviews to develop questions for the next round of interviews. These processes involve a constant search for negative cases or evidence that will refute the emerging theory. In this sense, concepts and themes are tested with the goal of producing a theory grounded in the data.

3.4.1 THE CODING AND ANALYTICAL PROCESS

As a first stage, open coding breaks down the data into events or actions or units of meaning or concepts. The second stage of “axial coding,” reflects the idea of clustering the open codes around specific “axes” or points of intersection. Each transcript was reviewed and the codes were checked and rechecked through an inductive analytical process aimed at finding patterns and discovering theoretical properties. During this stage, the fractured material is put back together in the form of categories and interrelationships—moving the concepts to a more abstract level.

The third stage is known as “selective coding.” The researcher is now trying to determine how the various code clusters relate to each other and what stories are emerging. Some researchers refer to this stage of coding the “thematic” level since it explores the underlying message or story of these categories. At this stage, themes are usually quite abstract and difficult to identify. As Morse and Field remind researchers, themes do not typically immediately “jump out” of the interviews. Researchers are advised to step back and consider, “What are these interviewees trying to tell me?” Once
identified, themes often appear obvious, causing researchers to give themselves a hard time for not being able to see the point sooner.39

The final stage of analysis in grounded theory involves the creation of a substantive theory – or most important finding in the study. This constitutes the core “story” — the theme or themes which subsume all of the other categories. As with previous stages of analysis, the emerging theory should be compared to the interview evidence to ensure it is grounded in participants’ experience. The theory should then be compared to existing literature to enrich its explanatory power.40 Theme charts detailing the open, axial and selective codes provided “clues” to the bodies of literature which needed closer examination. Once major contributions from the social capital, organizational empowerment, collaborative governance and common pool resources literature were read more intently, some of the core concepts and themes which had emerged from the interviews and focus groups were renamed to more readily correspond with the terminology used by theorists in the fields relevant to the case study findings.

3.4.2 ESTABLISHING TRUSTWORTHINESS

In this study, several steps were taken to ensure that the theory which was developed was grounded in the evidence and that solid, credible and transparent research and analyses processes were implemented. These measures included the practice of reflexivity or critical subjectivity on the part of the researcher; prolonged engagement with research participants; utilizing multiple information sources to corroborate and expand on research findings; and providing a “thick” description of the phenomenon at question with liberal use of the voices of participants to illustrate key findings. Sharing the researcher’s interpretations with the study respondents was also an important part of the research.
process. Through the constant comparative process attempts were continually made to broaden the range of perspectives and differing opinions on information that was unearthed — following up on “negative” cases that appeared to contradict other findings.

3.4.2.1 Critical Subjectivity and Self-Reflexivity

The grounded theory literature refers to the importance of the author practicing “reflexivity” or “critical subjectivity” throughout all stages of the research process. This necessitates that researchers examine where they are in relation to the subject they are studying. They must make explicit to their readers what motivated them to conduct the research and how their underlying assumptions and position might influence their analysis of the data. In keeping with the need to demonstrate the introspection undertaken for grounded theory studies, the first-person voice of the author is reflected in the section below.

As a partner in a strategic communications and marketing firm, I was provided the opportunity to write a book on the organizational history of Sask Sport. I discovered that Saskatchewan is the only jurisdiction in Canada where the government has devolved the operation of its state lottery to the nonprofit sector and empowered volunteers from the sport, culture and recreation sectors to work together to determine how this revenue source is spent to develop and enhance public programming in these areas.

When I was offered the opportunity to work on the Sask Sport book, I was also considering a return to university to complete my doctorate. I was looking for a dissertation topic to cover some of the costs of going back to university. When I started preliminary research on Sask Sport, I became intrigued in the collaborative arrangement between the amateur sport federation and the government to run the provincial lottery. I
began to consider whether I could use some of the information I learned while writing this book for a broader policy study on state-directed gambling and how Saskatchewan’s model compared to approaches taken in other jurisdictions — the potential focus for my dissertation.

3.4.2.2 Ethical Considerations

I indicated to Sask Sport’s general manager that if he were to hire me to write the organizational history, I would like to use some of the knowledge I gained from the project for my Ph.D. dissertation. He and other members of Sask Sport’s management team stated that they welcomed an academic study of the lottery system, an assurance confirmed in a letter signed by Sask Sport’s president as part of the University of Regina’s Research Ethics Board’s requirements. While the overarching goals of the two projects were quite different, many of the same individuals who would contribute to the organizational history would also have insight into the operation of the provincial lottery. The goal of the book was to provide a detailed description of historical events and pay tribute to the people who helped build Sask Sport, and contributed to its growth and success over the years. In contrast, the dissertation would examine the provincial lottery as a funding mechanism for sport, culture and recreation as part of a larger study of collaborative governance and social capital formation. The main goal was to explore the lessons that could be learned from this unique voluntary sector/government partnership to develop policy and deliver public services.

As Cheek warns, “[t]aking funding from someone in order to conduct research is not a neutral act. It implies a relationship with that funder that has certain obligations for both parties.”42 Sask Sport would have editorial control over the book however Sask
Sport would not have the same editorial control over the lottery study. I kept Cheek’s question firmly in mind about whether it would be possible to retain integrity and independence as an academic researcher if both of these projects were worked on simultaneously.43

It was not only the funding relationship that worried me. I also questioned whether I was the right person to write the history of Saskatchewan’s amateur sport federation. An entry dated January 8, 2011 in my research journal reflects the angst I was feeling: “I’m someone who doesn’t even follow the Saskatchewan Roughriders. I was picked last for every team sport in school.” I now recognize that I entered these research projects with stereotypes of the type of people I would be meeting. I was intimidated to interview individuals I perceived who would be focused on high performance sport. I wondered how I would relate to them and write the kind of book they were expecting when I regularly questioned the cost of sport and how exclusionary it appeared to me – allowing few but the more privileged children in our community access.

In the same journal entry I asked myself: “Is Saskatchewan Lotteries really the best system for funding amateur sport? I worked in government for years and know all about ‘spin.’ I wonder how the ‘student’ in me who is trying to be a good academic will balance the part in me – the public relationship professional who is trying to make her client happy.” A decision was made to move forward with the relationship, keeping in mind the importance of Cheek’s counselling that when conducting funded qualitative research it is important to develop an honest and open working relationship with research participants. Before their interviews an overview of the goals and objectives of the two different, but related projects were outlined.44
This type of reflexivity continued throughout the research process and was recorded in an online journal. The notes in this journal were broken down into three categories: pre-thoughts, notes taken during the interview and post-analyses. Before each interview previous journal entries and transcripts were reviewed to reflect on new questions to ask based on preliminary themes or knowledge that was still tenuous or uncertain. New participants could be probed about uncertainties to rule out or modify what had been learned from other sources. Immediately following each interview, reflections were noted in a hand-written journal.

3.4.2.3 Member Checking and Prolonged Engagement

Lincoln and Guba argue the most important technique for establishing credibility in qualitative research is “member checking.” Member checking involves returning to the field to ensure that the researcher is on the right track with her interpretations and that the study’s findings ring true with respondents. This trustworthiness technique occurred as data collection segued into data analysis and writing. The research for this study began in January 2010 and continued until the spring of 2014 — a prolonged period of time that allowed the ability to develop a complex understanding of the world being investigated. Two group sessions were also held with Sask Sport past presidents in June 2012 to provide feedback on the major findings. Similar sessions were held in December 2012 and June 2013. These group meetings served to foster the development of a shared interpretation and reflection of the history and significance of the lottery system. Some of the richest insight for the study emerged from these gatherings.
3.4.2.4 Multiple Sources of Information

As discussed previously in this chapter, numerous sources of information were used to produce a believable account of the historical development of the lottery system and its role in community empowerment and lessons in government and voluntary sector collaborations. Triangulation is the term most commonly used in literature on qualitative methods to describe efforts made to use multiple sources of information, theoretical frames and methods of analyses as a way to draw conclusions about a topic. To be considered credible, information obtained through interviews was corroborated with evidence from the written records. If no references could be found in the archival sources to establish the accuracy of information, these details were rejected unless they could be confirmed by knowledgeable participants.

Oral historian Donald A. Ritchie underscored that, “no one group [has] an exclusive understanding of the past, and that the best projects [are] those that cast their nets wide, recording as many different participants in events or members of a community as possible.” In order to try to gain a greater diversity of opinion on the strengths and weaknesses of the system, the scope of the study was broadened to include more Aboriginal participants, additional representatives from the culture and recreation sectors, and civil servants still working for the government. One of the most surprising findings was the level of support for this funding model shown by this much wider range of participants. The grounded theory which informed the policy analysis of the strengths and weaknesses of the lottery system centred on themes that emerged in the majority of interviews.
3.4.2.5 Thick Description

One of the most important ways to achieve credibility in qualitative research is by providing a significant amount of concrete details to allow readers to draw their own conclusions about how trustworthy the study’s findings are. Providing rich descriptions of the phenomena also makes it easier for readers to determine whether the approach could work in other jurisdictions or policy areas. Efforts to provide “thick description” are evident throughout the study but especially in the chapters which chronicle the historical record and sections which describe the institutional processes which were put in place that led to innovative programs that foster social inclusion and community empowerment.

3.4.2.6 Refining Codes and Testing Themes

The transcripts were initially coded manually with a highlighter marker and notes were written in the margins. The computer-assisted qualitative data analysis software (CAQDAS) program Atlas.ti served as a method for refining the codes and testing the strength of the identified themes. By the time Atlas.ti was utilized, the majority of the transcripts had been reviewed several times and the open and axial codes, as well as the overarching themes had become readily apparent. While it may not have been necessary at this point to return to the transcripts to code them in Atlas.ti, this decision afforded the opportunity to test how grounded the themes were in the data. As each transcript was re-read and coded using the software the following questions were asked: How prevalent are the themes and are there any other themes that were missed during the first rounds of reflections of the transcripts?
3.4.2.7 Negative Case Analysis

Negative case analysis can be described as a “sort of self-imposed ‘devil’s advocate’ position assumed during data analysis.” An important aspect of grounded theory is the search for negative cases or falsifying evidence that might refute the emerging theory. For this study, negative case analysis involved re-examining interview and focus group transcripts, after the initial analysis was completed, to determine how widespread the emergent themes were throughout the transcripts and to take a more careful look at incidents that contradicted the general findings. For example, one senior civil servant was more critical of Sask Sport than other bureaucrats that had been interviewed. Unlike all the other government employees that had shared their thoughts for this study, this individual had not risen through the ranks of the Culture and Youth department. He offered a much more qualified endorsement of the lottery system. A decision was made to re-examine all the civil servant transcripts to see if anything had been missed in the first rounds of coding. The themes in this sub-category were also re-examined to assess how strong they were. A decision was also made to interview more civil servants that worked during the post-1990 period to see if the views held by the “negative case” were more prevalent. After this additional work was done, the conclusion was made that this individual was an isolated case and the general findings were sound.

Similarly, a volunteer President and a former Sask Sport employee both spoke quite critically of the board governance structure of the sport federation, a topic area that had not previously surfaced in other interviews. This prompted the decision to pursue this line of questioning in any future interviews and during the focus groups. This also led to
more research on the board and committee structure at Sask Sport, SaskCulture and SPRA.

3.4.2.8 Case Study Protocol and Audit Trail

Information gathered for the case study was guided by the development of a data collection protocol as recommended and modified from Yin’s 2009 guidelines which suggests researchers pay attention to five levels of questions throughout their research process. Unlike a survey instrument, a case study protocol is a flexible and evolving document. Its purpose is to remind the researcher of the information they need to collect and how it fits in with their overall study. Case study protocols also serve the purpose of keeping researchers on track during large-scale data collection efforts.55

For the purposes of this study, a diagrammatic audit trail was also prepared to illustrate the relationship between concepts and categories and how they evolved into the final theory. These “theme” charts are presented in chapter eight. Elements of the audit trail, including the ethics board oversight, the data sources for the study, the research and analytical processes that were conducted and the trustworthiness techniques are summarized in Table 3.2. Throughout the research process a large body of historical documents was amassed, which included pertinent ministerial documents from the Saskatchewan Archives and personal papers that were donated to the author by individuals that were interviewed for the study. Other material that was collected included internal Sask Sport documents such as minutes from their board of directors and committee meetings, letters, briefing notes and research documents, employee and member communication, media clippings, news releases, government debates and proceedings and more.
<table>
<thead>
<tr>
<th>Table 3.2. Audit Trail for Saskatchewan Lotteries Case Study</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Research Ethics Board Approval and Oversight</strong></td>
</tr>
<tr>
<td>Phase 1: Exploratory research; ethics approval received February 17, 2011.</td>
</tr>
<tr>
<td>Phase 2: Organizational History of Sask Sport and its role in coordinating the provincial lottery; ethics approval received January 17, 2012.</td>
</tr>
<tr>
<td>Phase 3: Civil servants, culture, and recreation staff/volunteers; ethics approval received July 26, 2012.</td>
</tr>
<tr>
<td>Phase 4: Five focus groups – two with staff of lottery-funded provincial sport governing bodies (one in Regina/one in Saskatoon), one with staff of provincial cultural organizations; one with volunteers of provincial cultural organizations, and one with provincial Field Staff employed by the Saskatchewan Parks and Recreation Association; ethics approval received July 22, 2013.</td>
</tr>
<tr>
<td><strong>Initial Literature Review</strong></td>
</tr>
<tr>
<td>Review of prior literature related to the history of gambling and the history of the voluntary sport sector, cross-national comparison of public policy approaches to distributing revenue from gambling; cross-national comparison of state approaches to sport, culture and recreation policy.</td>
</tr>
<tr>
<td><strong>More select literature review once data collection was completed</strong></td>
</tr>
<tr>
<td>Review of prior literature related to government/voluntary sector collaboration, agenda setting, historical institutionalism, implementation theory; empowerment theory</td>
</tr>
<tr>
<td><strong>Conceptual/ theoretical framework</strong></td>
</tr>
<tr>
<td>Constructivist/interpretive paradigm, with ontology emphasizing socially constructed meaning.</td>
</tr>
<tr>
<td><strong>Interview protocol</strong></td>
</tr>
<tr>
<td>Adapted model developed by Yin (2009) to construct interview protocol.</td>
</tr>
<tr>
<td><strong>Participant selection</strong></td>
</tr>
<tr>
<td>Two forms of sampling were utilized. At the onset of the study purposive sampling of civil servants, politicians, staff, and volunteers spanning five government administrations from 1965 to present was utilized. After the first few interviews, it became clear that a grounded theory of organizational empowerment and government/voluntary sector collaboration was emerging so theoretical sampling was then begun.</td>
</tr>
<tr>
<td><strong>Data collection and storage</strong></td>
</tr>
<tr>
<td>In-depth, semi-structured interviews and focus groups; review of Sask Sport archival material; ministerial papers for two former Saskatchewan premiers and three cabinet minister who were responsible for the lottery portfolio, which included policy documents, minutes of meetings, letters, newsletters, annual and special reports; newspaper accounts and legislative proceedings.</td>
</tr>
<tr>
<td><strong>Raw data</strong></td>
</tr>
<tr>
<td>Data stored separately in both computer and hardcopy files.</td>
</tr>
<tr>
<td>Total interviews (n=90). Four “member checking” sessions with volunteers and senior staff. Five focus groups (n=35).</td>
</tr>
<tr>
<td>Archival material and grey literature.</td>
</tr>
<tr>
<td><strong>Coding scheme</strong></td>
</tr>
<tr>
<td>Open, axial, and selective coding; ATLAS.ti used to assign open codes/create coding families and to prepare reflective commentary. Selective codes were analyzed to identify themes that cut across research data and were further distilled to create core categories; coding ended when “theoretical saturation” occurred.</td>
</tr>
<tr>
<td><strong>Trustworthiness techniques</strong></td>
</tr>
<tr>
<td>Triangulation of data collection; member checking; negative case analysis; thick description; diagrammatic illustration of theory generation (with codes/sub-themes and themes); code charts for interviews and focus group participants detailing description of quotations cited; feedback from research advisors.</td>
</tr>
</tbody>
</table>

As adapted from Bowen (2009, 312-313)
3.5 CONCLUSION

This chapter began with an explanation of the foundations of the interpretivist paradigm that served as the guiding philosophical framework for the study. This was followed by a review of the methodological implications that emanate from these principles. The rich array of sources that were available to the researcher was then documented. A case was made for the importance of providing historical context when reviewing the strengths and weaknesses of policy decisions or systems that are rooted in the past. A detailed documentation of the data collection and analytical procedures allows the reader to judge for themselves the trustworthiness of the research findings. Taken as a whole, the discussion in this chapter demonstrates that the research questions, study design and analytical approaches that were used are consistent with the flexible and adaptive nature of the interpretivist paradigm.

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5Creswell, Research Design, 8.


7Stake, “Case Studies.”


Yin, *Case Study Research*, 87.

Ibid.


Ibid., 78.


The personal papers of Cy MacDonald (Minister responsible for the Saskatchewan Youth Agency, 1961-1971); Ed Tchorzewski, Minister of Culture and Youth, 1971-1976; Ned Shillington, Minister of Culture and Youth, 1977-1980; Premier A.E. Blakeney, 1971-1982 and Premier Grant Devine, 1982-1991 were consulted. The Saskatchewan Archives Board made every effort possible to try to locate files related to sport, culture and recreation and the lottery system for the NDP administrations (1991-2007) but these documents were not able to be found—leading archive staff to believe they were never donated to them or they were not yet reviewed and accessible to researchers. Fortunately, Sask Sport’s organizational records included a number of the most important policy documents and pertinent correspondence between the government and lottery system representatives to make me feel comfortable that no critical gaps in the historical record remain.


Nixon’s tapes and Nicholl’s research files (including the transcripts for these interviews) will be donated to the Saskatchewan Sports Hall of Fame.


CHAPTER FOUR
A CROSS-NATIONAL COMPARISON
OF MODELS FOR DISTRIBUTING STATE LOTTERY PROCEEDS

This chapter will examine the broad range of strategies used by governments in the rest of the world to gain public support and to justify their involvement in commercial gambling. The focus is directed at lotteries because this is the form of gambling where governments have taken the greatest degree of direct ownership and operation. The Oxford English Dictionary defines lottery as: “[a] means of raising money by selling numbered tickets and giving prizes to the holders of numbers drawn at random.”¹ The vast majority of jurisdiction-wide lotteries are run by governments, operating within a monopoly market or by private interests authorized by government in highly regulated environments. The same cannot be said for other forms of gambling like casinos where in most cases the state’s primary role is to licence and regulate these industries, leaving private-sector businesses as the owners and operators. This chapter will also establish a broad comparative framework for a case study of Saskatchewan Lotteries. A global review of lotteries will provide evidence that the collaborative governance relationship between the government of Saskatchewan and the province’s amateur sport federation is an exceptional case.

4.1 RANGE OF OPTIONS FOR STATE INVOLVEMENT IN GAMBLING

Governments around the world, even those that found the need to “sell” lotteries and other forms of gaming to their electorate when they first ventured into this commercial sphere increasingly treat gambling as a free market commodity in the entertainment
economy. Although gaming markets have been liberalized and significantly expanded around the world, gambling remains controversial. Charles T. Clotfelter, who has written extensively on tax policy and state benefits from gambling, attributes the wide variety of approaches to how governments have institutionalized gambling to what he describes as the “Jekyll and Hyde” nature of the industry. On the one hand, he notes, gambling is and has been a popular activity of nations around the world for centuries and one that has been used to raise funds for public purposes. On the other hand, gambling is still condemned by many religious groups or viewed with moral qualms by others that have acquiesced or tempered their misgivings because of the perceived “good” that society receives from revenue earned in this manner.\(^2\)

A total of 125 (64 percent) of the 194 countries examined have national lotteries of some form, leaving 69 (36 percent) without national lotteries.\(^3\) Broad trends that were identified in the research conducted by the author are identified in Table 4.1 and described throughout the chapter. A number of the countries that have chosen not to legalize lotteries do so for religious reasons. For instance, governments in Afghanistan, Indonesia, Iran, Pakistan and Yemen have taken a strong stand against all forms of gambling because it is perceived as contrary to the Koran. Indonesia had a lottery for a few years but protests from students and activists eventually forced the government to shut it down. Underground illegal gambling is said to be flourishing in many of these countries but it is difficult to ascertain how true these claims are because most of the sources making these assertions are strong proponents for legalized gambling. Other religious faiths have also taken strong positions against gambling and this has played a factor in when or if gambling is sanctioned by the state.
### Table 4.1: Range of Options for State Utilization of Revenue from Gambling

<table>
<thead>
<tr>
<th>Corporatist Political Approach</th>
<th>Liberal Political Approach</th>
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<tbody>
<tr>
<td><strong>Tool for Community Development</strong></td>
<td><strong>Tool for Revenue Generation and Economic Development/Entertainment Option</strong></td>
</tr>
<tr>
<td>Nonprofit organizations run lotteries as sanctioned by the state as a fundraiser for public services.</td>
<td>Contracted to private operator to run.</td>
</tr>
<tr>
<td>Non-partisan community driven</td>
<td>Little or no justification is provided for the involvement.</td>
</tr>
<tr>
<td></td>
<td>If an “alibi” is used, it is that gambling is an entertainment option or that government is participating because other jurisdictions that border it are participating.</td>
</tr>
<tr>
<td>Government-run or directed gambling enterprises</td>
<td>Government-run or directed gambling enterprises</td>
</tr>
<tr>
<td>Significant granting programs developed by government with some social capital building programs</td>
<td>Percentage of Revenue Directed to Specific “Good Causes” but most revenue goes to GFL</td>
</tr>
<tr>
<td>Some granting programs have significant voluntary sector involvement</td>
<td>Some granting programs have significant voluntary sector involvement</td>
</tr>
<tr>
<td>Some programs may be geared to efforts to enhance community development or build social capital</td>
<td>There may be some granting programs but government takes the lead in designing and administering them</td>
</tr>
<tr>
<td>Principal of “additionality” is often involved.</td>
<td>Revenue flows to state’s general revenue fund</td>
</tr>
<tr>
<td>Saskatchewan, Hong Kong, Ecuador, Costa Rica, Iceland, Portugal</td>
<td>British Columbia, many lotteries in the USA like Arkansas, Georgia, many countries in Africa, Europe and South America</td>
</tr>
<tr>
<td>Alberta, Croatia, United Kingdom, New Zealand</td>
<td>All Canadian provinces except Ontario, SK, Alberta, BC</td>
</tr>
<tr>
<td>South Africa, many countries in Europe</td>
<td>Some US and EU jurisdictions</td>
</tr>
<tr>
<td></td>
<td>Majority of countries in Africa, Africa and South America</td>
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</table>
Chambers argues religion is just one factor that explains why a jurisdiction allows gambling and if it does permit it, when and how it is introduced and evolves. As he demonstrates, the development of gambling for profit in democratic countries or regional jurisdictions begins and ends in the political sphere. Since governments operating in democratic regimes cannot rule without the support of their electorate, the majority of people must, at a minimum, be indifferent to gambling activity before the state will sanction it. Chambers uses a comparative historical analysis framework to explain when and how gambling was introduced in jurisdictions that he reviewed. The starting point for his explanation lies in the country’s history and circumstances which created regional variations in the economic, political and social structures and in existing cultural and religious beliefs and practices. He argues these enabling and constraining factors generate different contexts for state-sanctioned or directed gambling. The social and cultural milieu of a region also affects the collective attitudes about gambling. The degree to which opposition can be mobilized can dramatically influence the likelihood of adoption. It is in the effort to minimize resistance to gambling that governments look for ways to legitimize their involvement.\(^4\)

Chambers shows that gambling practices in western countries developed unevenly as a result of historical circumstances and institutional and societal differences. He considered his findings in the context of Kingma’s ‘alibi’ and ‘risk’ framework of governmentality. The “alibi” model represents a corporatist political approach which sees a need to legitimize gambling as a way to reduce crime and illegal gambling or contain revenue leaving a state by those who wish to participate but are currently barred from doing so. Government ownership of lotteries is seen as a way to extract public good out
of this morally contested activity. At the other end of the spectrum is the “risk” ideal type which is characterized by political values which view gambling as commercial entertainment. Within this tradition there is no need to justify why the state is involved in running lotteries. A service is being provided in response to public demand and the state is capitalizing on an opportunity that brings money to its treasury. In its purest form, this perspective sees the operation of lotteries best left in the control of private sector partners.5

The basic principles of Kingma’s “alibi” and “risk” ideals served as the guiding framework for the cross-national comparison of how jurisdictions direct profit from lotteries.6 Data was collected through online searches for lotteries in every country, each state in the United States and Australia and all provinces in Canada. In many instances organizational websites and reporting documents were in languages other than English so Google Translator was required. The following questions informed the collection of the cross-jurisdictional data:

1) Does the country/state/province have a national lottery? If yes, is the lottery officially authorized or sanctioned by the government?
2) Is the lottery operated by the state or run on behalf of the state by private or nonprofit sector partners?
3) Is the state lottery operated as a monopoly or are there competing lotteries?
4) To what extent, if any, is the generation of lottery revenue viewed as a tool to incite individuals to get involved in the community?
5) Do civil society organizations play a role in the operation of the lottery and/or in the determination of the criteria for distributing funds from this revenue stream?
6) If gambling granting programs have been developed are they adjudicated in a non-partisan manner through organizations outside the direct oversight of government?
7) To what extent, if any, does the state use public relations tools to promote the lottery and try to justify its participation?
8) If funds flow to the state’s general revenue fund is there evidence that money is being directed to causes seen to benefit a broad cross-section of the public and/or to new programs not previously funded through general taxation?
9) What good causes are targeted?
A classification schema was developed by the author based on the answers to these questions. Those jurisdictions which have state lotteries were assigned a rating from one to six. The ratings represent the degree to which the government uses the revenue from lotteries as a tool for community development or method for leveraging widespread public support. Jurisdictions where the government has assigned a high degree of discretion to a sector of civil society in both the operation of the lottery as well as the distribution of the profits in some sort of collaborative effort with the state were assigned a “one.”

A rating of “two” was assigned to countries or provinces or states within federal entities if the lottery is run by a government agency or another designated party but the profit (or portions of the profit) are directed to foundations, authorized civil society agencies or volunteer led committees. A rating of “three” was allocated when there was evidence of some significant granting programs or that money is being directed to various “good causes” but that the terms and conditions are dictated and controlled by government. In these cases, civil society may have had some initial input into the development of the programs and play some limited ongoing role in legitimizing the process but government takes the lead. Civil servants administer the grants and there is little, if any, community involvement in the distribution and accountability mechanisms for the programs.

State lotteries were rated a “four” if there was some attempt by a government to justify its involvement by designating a particular “good cause” or area that is benefiting from the revenue. In these circumstances, however, there is limited or no proof that new programs or services have been created as a result of lottery revenues. A “five” was
assigned when revenue from state lotteries flows into a general revenue fund with no attempt by government to explain how it intends to spend this money or to justify its involvement in the lottery industry. Jurisdictions that have significant state-wide lotteries that have either been privatized or otherwise left in the hands of commercial interests with the state only regulating or collecting taxes from them were rated a “six.”

4.2 FINDINGS

Findings from the cross-national review of lottery adoption are summarized in Table 4.2. Just under half of the countries with lotteries (48 percent) or 60 jurisdictions, chose to license private sector companies to operate them. In only 3 percent of all cases (n=4), did the national government license nonprofit, charitable organizations to run lotteries. This number does not include sub-states such as the city state of Hong Kong and the province of Saskatchewan in Canada, which also follow this model. The remaining 48 percent of countries (n=60) created state-owned crown corporations to run lotteries on their behalf or run lotteries through a designated ministry or department. Government-run lotteries direct the revenues in a variety of different manners. Twenty-four countries (19 percent) make no attempt to justify how they spend lottery revenue or if they do it is only to the extent of designating broad general causes (categories 5 and 4 in the classification scheme). Revenues from gambling are spent on priorities decided by the government like other forms of money collected by the state. The remaining countries (28 percent) have taken a more activist approach by developing granting programs targeting specific sectors (either administered by government or government-appointed committees), through designated third-parties organizations, or charitable foundations (classifications 2 and 3).
Table 4.2. Methods for Distributing Lottery Revenue

<table>
<thead>
<tr>
<th>Category</th>
<th>Code</th>
<th>Number of Countries</th>
<th>Percentage of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-profit organization runs lotteries and distributes profits</td>
<td>1</td>
<td>4</td>
<td>3.2%</td>
</tr>
<tr>
<td>Significant granting programs developed by government with some social</td>
<td>2</td>
<td>8</td>
<td>7.2%</td>
</tr>
<tr>
<td>capital building programs</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Some granting programs but highly dictated by government with little</td>
<td>3</td>
<td>27</td>
<td>21.6%</td>
</tr>
<tr>
<td>community involvement</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Most of the funds flow to GRF. Broad cause(s) is identified like education</td>
<td>4</td>
<td>5</td>
<td>4.0%</td>
</tr>
<tr>
<td>but little proof of “additionality.”</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenue flows to GRF with no justification</td>
<td>5</td>
<td>19</td>
<td>15.2%</td>
</tr>
<tr>
<td>State lottery is run by private sector operators</td>
<td>6</td>
<td>60</td>
<td>48.0%</td>
</tr>
</tbody>
</table>
4.3 MONOPOLY OR COMPETITION?

In most jurisdictions lottery organizations are operated as monopolies. Guy Simonis and Jean-Marc Lafaille are pioneers of the lottery industry in North America and leading figures in the international gaming industry. Their thoughts on the advantages and disadvantages of the various economic organizational models for lotteries is summarized in Table 4.3. They believe there are a number of good reasons why it is necessary for governments to operate lotteries as monopolies. They pose the question: “Is competition in gaming truly a ‘good thing’?” They point to the way the industry has been operated in post-Soviet Russia as evidence of the folly of allowing open competition in the gambling sector. Few, if any, restrictions are placed on issuing licenses. This lenient policy has created many small lotteries, casinos and slot machine operations. The result is that most of these businesses have been barely able to generate enough revenue to sustain their own internal operations, let alone contribute anything to good causes.
Table 4.3. Economic Organizational Models

<table>
<thead>
<tr>
<th>Government Objectives</th>
<th>Public Monopoly</th>
<th>Private Monopoly</th>
<th>Public and Competition</th>
<th>Private and Competition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Profit Maximization</td>
<td>A</td>
<td>A</td>
<td>C</td>
<td>D</td>
</tr>
<tr>
<td>Social costs minimization</td>
<td>A</td>
<td>C</td>
<td>B</td>
<td>D</td>
</tr>
<tr>
<td>Integrity</td>
<td>A</td>
<td>B</td>
<td>B</td>
<td>C</td>
</tr>
</tbody>
</table>

‘A’ being the best type of organization to meet the objective and ‘D’ the worst.

Lafaille and Simonis argue that when there is wide-open competition the rate of gambling increases and revenue for the public good decreases. In their minds this represents the worst of both worlds. Competition in gaming can only be successful by offering more prizes or spending more money on marketing. These industry insiders believe increasing the visibility of gaming leads to increased social costs. While they are not inherently opposed to private sector monopolies, they note that there can be a number of consequences of privatization on government objectives. For one, private operation implies a profit margin for the operator which may offset any gains over public operation. Secondly, by definition, a private operator will be more concerned with profits than social costs. Thirdly, the drive for profits by a private operator may lead to budget reductions in the area of security and integrity. The authors are also sceptical of whether private operators earn more revenue for government. They believe the government bidding process for obtaining a licence for private operations necessarily contains controls and restrictions that limit the flexibility of the gaming operator to respond to market opportunities and spend money where it may be most needed.9

Korea saw the wisdom of reducing competition in the lottery marketplace. In 2004, the Korea Lottery Commission (KLC) was established as a way to bring order to the crowded lottery sector. Before the KLC was set up, ten different government organizations operated lottery businesses based on different Acts and regulations. The KLC’s website reports that this situation caused “saturated and overheated competition in the lottery market accompanied by numerous problems.”10 The Korean government chose to limit its role to regulation, inviting private operators to bid on the rights to receive the operating licence for the new consolidated state lottery business. Thirty-five
percent of lottery proceeds were directed to ten legally mandated projects and the remaining 65 percent directed to low-income families with housing, veterans’ welfare, cultural heritage and art promotion, and other public works.\textsuperscript{11}

4.3.1 PRIVATIZATION OF LOTTERIES

While there has been much discussion and significant lobbying efforts by international gaming conglomerates, efforts to convince governments to privatize lotteries have been largely unsuccessful. Only a handful of countries have privatized their lotteries. Greece sold its state lottery in July 2012.\textsuperscript{12} Ireland sold a twenty-year operating license to a British gaming company in 2013, since repurchased by the Ontario Teachers’ Pension Plan.\textsuperscript{13} After eight years of failed attempts to privatize its national lottery, Turkey also signed a lottery license to a private sector company in 2014.\textsuperscript{14} In the United States, the states of Illinois, Indiana and New Jersey are the only jurisdictions that have been allowed by their governments to be directed and operated by commercial business interests.\textsuperscript{15} In 2007, after 90 years of government ownership, the State of Queensland (Australia) transitioned its lottery to a private lottery operator model when Tattersall’s merged its operations with the former government-run lottery.\textsuperscript{16} Tattersall’s already operated the state lotteries in Tasmania, Victoria, South Australia and Northern Australia. Queensland, Western Australia and New South Wales continue to have government-run lotteries.\textsuperscript{17}

Privatization of lotteries has also come under consideration in Canada. In 2012, former Ontario Lottery and Gaming Corporation’s (OLG) head Paul Godfrey announced plans that would have seen OLG become a small regulatory body charged with overseeing private lotteries, casinos and other gambling operations. Former Premier
Dalton McGuinty showed support for the plan but backed down when the public voiced concerns. Once a new Premier was elected, the OLG chair was fired and the issue of privatizing Ontario gaming was placed on the back burner.\textsuperscript{18}

4.4 MAIN BENEFICIARIES OF LOTTERY PROCEEDS

While there is substantial variance in the types of causes governments support, the categories that the European State Lotteries and Toto Association has assigned to characterize how revenue is directed from their members is a helpful place to start. The EL notes that sport is the main beneficiary of lottery funding from their member organizations. The second main beneficiaries are charities and projects in the social sector, especially projects encouraging social inclusion. Culture is the third most likely area to receive support from European lotteries, followed by projects in the broad category of research and the provision of health services. Figure 4.1. shows the top beneficiaries of European lotteries.
Figure 4.1. Top Beneficiaries of European Lotteries

Source: European State Lotteries and Toto Association – http://www.european-lotteries.org
4.5 COUNTRIES OUTSIDE OF EUROPE

Sport, culture and social welfare are also common areas for directing lottery revenues by countries outside of Europe. Canada began as many European lotteries like Britain did by devoting portions of the revenues they received from state-owned lotteries to sport, culture and recreation. As Simonis and Lafaille note, directing lottery profits to “the extra things in life” helped sway many voters in accepting lotteries. These were projects most countries would not otherwise fund out of general taxation.\textsuperscript{19} Canada’s first national lottery was organized to raise money for the 1976 Olympic Games in Montreal.\textsuperscript{20} When the Western Canada Lottery Foundation was formed revenue generated at the provincial and territorial level was distributed through agencies in the fields of sport, culture and recreation through different channels in each participating province.\textsuperscript{21} This was also the case with other regional and provincial lotteries in the country, including Ontario, which created a grant program administered by government officials, where profits from one lottery program were distributed to nonprofit associations organizing culture and recreational activities.\textsuperscript{22}

Every province and territory in Canada participates in lotteries but only four provinces earmark portions of their revenue from lotteries to programs separate from those funded through general revenue funds (GRF). Table 4.4 provides additional detail on how these provinces direct lottery and other gaming funds. This data was compiled by the author in a format similar to Berdahl’s review of gambling granting programs in Canada in the 1990s.\textsuperscript{23}
<table>
<thead>
<tr>
<th>Granting Orgs.</th>
<th>Program</th>
<th>Funds Disbursed</th>
<th>Details</th>
</tr>
</thead>
</table>
| British Columbia              | Community Gaming Grant Program               | $132.4 million  | Funds must be used to support delivery of a program that benefits the broader community. Local organizations are eligible for up to $100,000; regional organizations can apply for up to $225,000 per year; province-wide organizations can apply for up to $250,000 per annum.  
Arts and Culture (Youth Programs, and fairs, festivals and museums)  
Environment  
Human and Social Services  
Public Safety  
Parent Advisory Councils and District Parent Advisory Councils (aligned with schools). Funds are used to enhance extracurricular opportunities. PAC: $20 per student per year. DPAC - $2,500 per year. |
|                               | Special One Time Grants                      | $2.5 million    | Capital projects such as construction of a new facility or renovation or maintenance of an existing structure. As at April 19, 2015 website noted that major capital projects are not available until further notice.  |

Table 4.4. Canadian Gaming Granting Programs
| Ministry of Tourism, Parks and Recreation | Alberta Sport, Recreation, Parks and Wildlife Foundation (Est. in 1993) | $31.4 million | Nonprofit crown corporation that administers many programs within these sectors. Matching grants. Maximum value of $25,000. Also funds the purchase or renovation of public-use facilities. |
| Community Facility Enhancement (Est. In 1988) | $38 million | Matching grants to municipalities, Indian Bands and Metis Settlements and registered community non-profits to build, purchase, repair, renovate, or improve family and community wellness facilities. |
| Ministry of Culture and Community Spirit | Alberta Foundation for the Arts | $26.9 million | **Individual Project Grants** – to support individual Alberta artists, arts administrators or an ensemble of artists by providing grants for specific arts-related projects. **Arts Organization Project Grants** – supports registered Alberta arts organizations, companies and/or schools by providing a grant for a specific arts-related project or event. **Arts Organization Operational Grants** – supports annual operating expenses of some of Alberta’s arts and cultural organizations and companies, including theatre and performing arts organizations, public art galleries and community arts organizations. **Cultural Industries Grants** – supports Alberta-based book publishing, magazine publishing and sound recording companies through grant funding. This support is for projects creating and producing new cultural work or for assistance with operating expenses. |
| Alberta Multimedia and Development Fund | $19.9 million | Supports organizations and individuals involved in the cultural industries, which include screen-based media production, book and magazine publishing, and sound recordings. |
| Community Initiatives Program | $24.7 million | **Project-Based Grants** – for community organizations for equipment purchase, facility construction or renovation projects, hosting/travel/special events, new programs or special funding (ie disaster). (Up to $75,000) **Community Operating Grants** – financial assistance to registered non-profit organizations in Alberta to enhance their ability to operate and deliver services to the community. (Up to $75,000). **International Development Grants** – to match or supplement the donations that Alberta citizens make to humanitarian projects of their choosing. (Up to $25,000) |
| Alberta Historical Resources Foundation | $8.4 million | **Heritage Preservation Partnership Program** – matching grants for initiatives like conserving historic places, undertaking historical research, producing local history books, installing interpretive markers, etc. **Alberta Main Street Program** – to provide funds to conserve historic downtown areas **Partnerships with Other Provincial Heritage Organizations** – funding provided to Alberta Museums Association, Archives Society of Alberta, Historical Society of Alberta, Alberta Genealogical Society and Archaeological Society of Alberta. |
| **Human Rights, Citizenship and Multiculturalism Education Fund** | $1.7 million | Funds are intended to remove organizational barriers that exclude groups under Alberta’s human rights legislation or to increase community or organizational capacity to develop and sustain work in building welcoming communities and inclusive organizations. |
|**Other Initiatives Program** | $2.7 million | Funding decisions made by Minister of Culture and Community Spirit. Provides support for projects which do not fit under criteria of other Albert Lottery Fund grant programs. Eligibility and amount of grants determined on case by case basis. |
| **Alberta Gaming and Liquor Commission* Charitable Casino Events** | In 2012-13 $247 million was distributed to almost 3,500 licensed charities from casino events | There are 6,972 charitable organizations which are eligible to apply to the Alberta Gaming and Liquor Commission to conduct and manage casino events in the 19 permanent casinos in the province. The profits from the casino region are pooled every three months and shared equally among the charities that put on a casino during that period. Eligible charities can apply to be on a waiting list to volunteer their services for these two-day casino “events”. Their volunteers “work” with the private sector operators who run the casinos on behalf of the Alberta government on a day to day basis. Charities are required to provide between 15 and 25 volunteers per event depending on the size of the casino. |

| **Saskatchewan 2013/2014** |  |
| **Saskatchewan Lotteries** | **Saskatchewan Lottery Trust Fund** | $63.3 million | Proceeds from lottery ticket sales are reserved for eligible sport, culture and recreation groups. Fifty percent of available funds are distributed to the sport sector, 35% to cultural groups and 15% to recreation organizations. |
| **Community Initiatives Fund** | **Community Grant Program** | $5.7 million | The main focus for the Community Grant Program remains programs for vulnerable children, youth and families. It includes annual project grants as well as summer grants. Major changes were announced in 2013. The program now includes physical activity and problem gambling initiatives, support of nonprofits, youth engagement and leadership development, and community cultural and milestone celebrations. This program includes all aspects of the former Physical Activity Grant Program, the Problem Gambling Prevention Program and part of the Community Vitality Program (Pride Projects and Events). |
| **Community Places and Spaces Program** | New program in 2014 | This program replaces the Physical Activity Grant Program, the Problem Gambling Prevention Program and the Community Vitality Program which ended on March 31, 2014. Maximum grant is $25,000 (which must be matched by the community). |
| **Community Vitality Fund** | $3.7 million | Small capital projects to improve quality and accessibility and use of facilities and also to support projects and events that build community pride. The last year of operation for this |
and Sport.  

<table>
<thead>
<tr>
<th>Program</th>
<th>Amount</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Problem Gambling Prevention and Treatment Grants</td>
<td>$453,921</td>
<td>To support public education and prevention initiatives of community groups, committees and non-profits endorsed by their health region. The bulk of this funding ($420,000) was directed to the Canadian Mental Health Association to deliver a Problem Gambling Community Program. Last year for this program (it is being rolled into the Community Grant Program).</td>
</tr>
<tr>
<td>Physical Activity Grant</td>
<td>$719,220</td>
<td>Strategic projects that encourage physical activity. The bulk of the funds ($600,000), was directed to the Saskatchewan Parks and Recreation Association to deliver the Saskatchewan inMotion Program. Program rolled into Community Grants program in 2014.</td>
</tr>
<tr>
<td>Exhibition Associations</td>
<td>$239,625</td>
<td>Annual funding to Battlefords, Lloydminster, Prince Albert, Swift Current and Yorkton exhibitions.</td>
</tr>
<tr>
<td>Urban Aboriginal Community Grant Program</td>
<td>$620,000</td>
<td>Projects that increase access to sport, culture and recreation programs and leadership opportunities for First Nations and Métis people in urban centres. Program discontinued in 2014.</td>
</tr>
<tr>
<td>Youth Engagement</td>
<td>$25,000</td>
<td>Duke of Edinburgh Awards</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$10.6 million</strong></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Ontario</th>
<th>2012-2013**</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Trillium Foundation (Est. 1982)</td>
<td></td>
<td>For proposals that have primarily a local impact (up to $375,000 over five years which can include up to $75,000 per year for operating or project expenses and up to $150,000 over one or more years for capital initiatives like building renovations and/or equipment purchases. This program is delivered by staff and volunteers located in 16 catchment areas across the province. Each catchment area has local staff supported by Grant Review Teams made up of between 18 and 25 local volunteers that help assess applications by examining how well proposed activities fit with OTF’s granting priorities and assessment criteria and meet local needs.</td>
</tr>
<tr>
<td>Community Program</td>
<td>$81.1 million</td>
<td></td>
</tr>
<tr>
<td>Province-wide Program</td>
<td>$19.5 million</td>
<td>For proposals that have an impact on a significant portion of the province (up to $1.25 million over 5 years. This can include up to $250,000 per year for five years for operating and project expenses and up to $150,000 over one or more years for capital initiatives such as building renovations and/or equipment purchases. The Province-Wide Program is delivered by staff and a volunteer Grant Review Committee made up of members of the OTF Board of Directors. Applications are reviewed to determine how well proposed activities fit with the Foundation’s priorities and assessment criteria and</td>
</tr>
<tr>
<td>Youth Opportunities Program</td>
<td>New program in 2014.</td>
<td>The Youth Opportunities Fund (YOF) provides grants and capacity building supports to grassroots, youth-led initiatives and community-based organizations that serve youth who are facing multiple barriers to economic and social wellbeing. Launched in the fall of 2013, the YOF is a $5 million per year program of the Ontario government, administered by the Ontario Trillium Foundation. The YOF will operate in the Greater Toronto Area, including the City of Toronto and the regional municipalities of Durham, Halton, Peel and York.</td>
</tr>
<tr>
<td>Future Fund</td>
<td>$4 million</td>
<td>Program was discontinued in 2014. Grants to support province-wide systems that encourage new approaches to skill development, improved access to employment, and new economic opportunities through community economic development initiatives.</td>
</tr>
</tbody>
</table>

Sources: Provincial Gaming Commission Annual Reports and Websites.

Notes: *Alberta has a very complicated system for reporting how it allocates revenues from VLTs, slot machines, electronic bingo and lottery ticket sales. All revenue flows to a separate fund called the Alberta Lottery Fund and is then distributed to 13 different government departments. Only those programs listed that appeared to be formal granting programs are included in this chart. A decision was made to include charitable casino events as a separate category because the charitable gaming model adopted by Alberta is much different than it is in other Canadian jurisdictions. In other provinces charity casino events are temporary, occasional events organized by the non-profits themselves and do not occur in permanent casinos owned by the state.

**As of April 19, 2015, the most recent annual report that the Trillium Foundation has on their website was for 2012-2013.
Similar detailed research of each jurisdiction in the United States was conducted. In the USA seven of the 50 states have chosen not to legalize lotteries; eight states (as well as the DC Municipal Lottery) direct lottery revenues to their state GRF; and twenty-five direct substantial portions of their lottery revenues to K-12 education. An additional seven states use lottery profits to fund post-secondary scholarships to in-state colleges. Other states direct portions of their lottery revenue to parks and projects benefiting the environment; to reduce taxes; to fund programs for seniors; economic development; correctional institutions; grants to veterans; fund sport stadiums; and direct money to municipalities. Table 4.5 provides additional information on how individual states in the US direct funds from lotteries.
Wyoming – Lotteries were just legalized in 2013. No information available yet on what the state intends on doing with proceeds.

** Lottery profits education fund. Constitutional amendment was made to create the Lottery Profits Education Fund to provide a clear separation of Lottery revenue from the GRF. Programs offered must be additional to general funds for public education – awards for academic all-stars and Teacher of the Month.

<table>
<thead>
<tr>
<th>No Lotteries</th>
<th>General Revenue Non-specific</th>
<th>Education</th>
<th>Post-Secondary Scholarships in state or other innovative approaches to education</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alabama</td>
<td>Connecticut</td>
<td>Arizona</td>
<td>Arkansas</td>
<td>Parks and Recreation and the Environment</td>
</tr>
<tr>
<td>Alaska</td>
<td>DC Lottery</td>
<td>California (public schools and colleges)</td>
<td>Georgia</td>
<td>Colorado, Minnesota, Oregon, Nebraska</td>
</tr>
<tr>
<td>Hawai‘i</td>
<td>Delaware</td>
<td>Colorado (mostly to Parks and Recreation but some to Public School Capital Construction Assistance Fund)</td>
<td>Tennessee</td>
<td>Colorado – Parks and Recreation</td>
</tr>
<tr>
<td>Utah</td>
<td>Rhode Island</td>
<td>Florida</td>
<td>Oklahoma</td>
<td>Nebraska (44.5% to Environmental trust Fund, 10% to Nebraska State Fair)</td>
</tr>
<tr>
<td>Nevada</td>
<td>North Dakota</td>
<td>Idaho</td>
<td>New Mexico – in state scholarships now (prior to that mostly K-12).</td>
<td>Minnesota – Environment + GRF + compulsive gambling programs</td>
</tr>
<tr>
<td>Mississippi</td>
<td>Maine</td>
<td>Illinois</td>
<td>Kansas (a portion as of 2005 goes to scholarships)</td>
<td>Oregon – 45% to education + economic development + state parks and national resources + problem gambling</td>
</tr>
<tr>
<td>Maine</td>
<td>Maryland + Stadium Authority</td>
<td>New Hampshire</td>
<td>Kentucky – grants, scholarships and literacy programs</td>
<td>** Tax Relief **</td>
</tr>
<tr>
<td></td>
<td>Wyoming*</td>
<td>Virginia</td>
<td></td>
<td>Indiana, South Dakota, Wisconsin, Montana</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Vermont</td>
<td></td>
<td>Indiana – reducing excise taxes; pension and disability funds for teachers, police officers and firefighters</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Ohio**</td>
<td></td>
<td>South Dakota – GRF + tax reduction fund and capital construction fund</td>
</tr>
<tr>
<td></td>
<td></td>
<td>South Carolina</td>
<td></td>
<td>Wisconsin – tax relief</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Michigan</td>
<td></td>
<td>Montana – property tax relief – but mostly GRF.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>New Jersey</td>
<td></td>
<td>Seniors</td>
</tr>
<tr>
<td></td>
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<td>Louisann</td>
<td></td>
<td>Pennsylvania and Puerto Rico</td>
</tr>
<tr>
<td></td>
<td></td>
<td>New York</td>
<td></td>
<td>** Economic Development **</td>
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<tr>
<td></td>
<td></td>
<td>North Carolina</td>
<td>Nebraska – Environment Trust Fund + Education + State Fair + Compulsive Gambling</td>
<td>Kansas – earmarked funds for economic development; correctional institutions</td>
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<td>West Virginia – Education, Senior Citizens and tourism</td>
<td>** Veterans **</td>
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<td>Oklahoma (45% to post secondary scholarships)</td>
<td>Iowa – General Revenue plus specific Trust Fund for Veterans</td>
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<td></td>
<td>Oregon (45% to education + economic development + state parks and national resources + problem gambling</td>
<td>** Other **</td>
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<tr>
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<td></td>
<td>Texas</td>
<td>Washington – complicated mixture</td>
</tr>
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<td>Washington (plus stadium debt and veterans, economic development)</td>
<td>Virgin Islands – GR + Handicapped childrens fund</td>
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<td></td>
<td>West Virginia (plus whole range of other programs)</td>
<td>Massachusetts – cities and towns + compulsive gambling, arts council, GRF</td>
</tr>
</tbody>
</table>

*Wyoming – Lotteries were just legalized in 2013. No information available yet on what the state intends on doing with proceeds.

** Lottery profits education fund. Constitutional amendment was made to create the Lottery Profits Education Fund to provide a clear separation of Lottery revenue from the GRF. Programs offered must be additional to general funds for public education – awards for academic all-stars and Teacher of the Month.
4.6 MAIN METHODS FOR DISTRIBUTING LOTTERY REVENUES

Just as the types of causes that state lotteries support vary from jurisdiction to jurisdiction, so does the manner in which governments chose to administer and direct this money. State licensed lotteries in the European Union are required by law or through their licences to make payments to society. On average, a state licensed lottery in the EU gives back to society as mandatory payments — as opposed to and not including sponsorships — 68 percent of each Euro it earns and some even return more than 75 percent.24 Some countries or states have regulated statutes or decrees that portions of their revenue go to specific causes. Others provide block funding to nonprofit organizations that are already serving certain communities like sport and culture. A few jurisdictions have set up independent or quasi-independent foundations or Crown corporations to distribute funds on their behalf. In many cases a variety of different mechanisms for distributing gaming revenue are used.

The province of Alberta is a good example of a jurisdiction that uses multiple methods to distribute gambling revenue, and has an elaborate method of “earmarking” gambling revenues. A separate account was established within the province’s general revenue fund called the Alberta Lottery Fund, which includes revenue not just from ticket lotteries but also from video lottery terminals and slot machines. Revenue to this fund totals more than $1.5 billion each year, and allocations are made to thirteen government ministries. Everything from programming for fetal alcohol spectrum disorder in the Ministry of Children and Youth Services to funding for provincial highways in the Ministry of Transportation is touted as being made possible because of gambling proceeds.25
Alberta also set up Crown corporations to use gaming funds as a way to direct the activities of specific sectors. For instance, the Alberta Sport, Recreation, Parks and Wildlife Foundation (now known as the Alberta Sport Connection) was set up to provide grants to support amateur sport and recreation in the province. The Crown agency provides numerous granting programs which support such objectives as developing high performance athletes, assisting communities to host major events, funding for coaching and officials and donations to organizations working to help underrepresented groups get involved in sport and recreation.\(^{26}\) A similar Crown agency, the Alberta Foundation for the Arts, was established to contribute to the development of the arts in Alberta.\(^{27}\) The province also provides ongoing operational funding for a number of nonprofit organizations like agricultural fairs and support for the horse racing and breeding industry. It also has granting programs like the Community Initiatives Program which are administered by civil servants working within government departments.\(^{28}\)

### 4.7 GENERAL REVENUE FUNDS

Other states make minimal or no effort to earmark or publicize how they choose to direct lottery funds. These funds are treated like any other revenue earned by government and used to fund priorities determined on a regular basis by political representatives. This is in many respects the approach which is the easiest to administer for governments.\(^{29}\) Six out of the ten provinces in Canada; nine of the 50 states in the US; and many jurisdictions around the world operate in this manner. Given the controversial nature of gambling, however, many governments have felt pressured to have “alibis” to sell to their electorate to justify why the state should initiate or support gambling ventures. Two main
arguments are typically made to counter the objectives of critics who believe government should not be promoting an activity they consider has the potential to harm its citizenry. The first is that people are going to gamble anyway, so it is better to regulate it than leave it to organized crime and the black market. The second argument that is made is that gambling revenue will be used for a “good cause.”

4.8 DIRECTING FUNDS TO BROAD SOCIAL POLICY AREAS

Many governments choose to earmark lottery profits to “hard” priorities such as education and health. The problem with dedicating gambling revenue to causes like these is that money from lotteries will only ever represent a small fraction of the overall budget. This revenue accounts for less than one percent or less of the total K-12 education in at least five of the US states that earmark lottery money for education. New York has the high percentage at just 5.3 percent. A growing community of scholars and activists have argued that instead of helping, lotteries in the United States have actually undermined the public education system. When a political scientist asked voters in Florida why they had voted against a sales tax increase meant for schools, more than 80 percent gave the same reason: the lottery. Voters were led to believe through the public relations efforts of the government and the state lottery corporation that additional money would not be needed because lottery profits would be directed to education. A representative with the Association for California School Administrators was blunt in his assessment: “[The public] think the lottery is taking care of education. We have to tell them we’re only getting a few sprinkles; we’re not even getting the icing on the cake.”
Because there has been such a backlash of negative publicity towards lottery funding and education, the North American Association of State and Provincial Lotteries felt the need to address this issue on their organizational website. The organization states that schools have benefited from lottery funds but this contribution is often masked by rising costs of other government priorities like medical care and correctional facilities.\(^{34}\)

The province of British Columbia in Canada has also tried to create the impression that gaming funds serve as extra revenue for health care and other broad social policy initiatives. In 1992, the British Columbia government passed the *Health Special Account Act* to set up special funds within their consolidated revenue funds to direct to the administration and delivery of health care, health research, health promotion and health education services. This account is considered general revenue to the Ministry of Health and part of its overall budget.\(^{35}\)

### 4.9 Targeted Grant Programs or Initiatives

An American approach that has had more positive public response is the efforts to target lottery funding specifically to post-secondary education scholarships. The State of Georgia started this policy trend when it passed the Lottery for Education Act in 1992. Every high school graduate in the state with a “B” average or above is eligible for free tuition and other support to attend a public college in the state.\(^{36}\) This scholarship fund has improved the standards within the Georgia university system since fewer students now attend out-of-state colleges, and Georgia Tech’s SAT average score has become one of the highest in the nation among public universities.\(^{37}\) Other states like Arkansas,
Tennessee, Oklahoma, New Mexico and Kentucky watched the success in Georgia with interest and have moved to varying degrees in the same direction.

Some governments have made the decision to fund initiatives they believe lead to the development of social capital through investments in communities and empowering volunteers. Robert Putnam applauded the Labour government in the United Kingdom for its attempts to use some of the money from their national lottery to invest in voluntary and community action and help to build the capacity of the voluntary sector. The internationally acclaimed social capital theorist was invited by the Labour Government to provide advice on how to devolve government decision making to the community and neighbourhood level as a way to rebuild social capital. The Daily Telegraph and Guardian newspapers referred to Putnam as “Tony Blair’s new favourite guru.” In 2003 the Government’s Home Office published a strategy document on Building Civil Renewal and established a separate Civil Renewal Unit to provide support for third sector partnerships in community based regeneration activity. Many of Putnam’s ideas on social capital and civic engagement were woven throughout the third sector policy documents and made their way into some of the lottery granting program criteria and how the Labour government chose to engage with the nonprofit sector.

4.10 BLOCK TRANSFERS TO STATUTORY THIRD PARTY BODIES

Another option is for governments to direct lottery revenue through block transfers of funds to nonprofit organizations (Croatia and UK) or to crown agencies like New Zealand. While there is usually more community involvement and input into how these funds are used when revenue is directed to nonprofit agencies, governments still typically
wield significant weight when it comes to determining priorities for how this money is spent. The United Kingdom’s decision to place more emphasis on high performance sport prior to the 2012 Olympics illustrates this point.

The National Lottery in the UK made a policy choice to divert lottery money originally earmarked for community arts, sports, and other groups to efforts to stage the London Olympics. The government wanted to ensure that the country’s top athletes performed well on this international stage. In March 2007 the government announced an increased budget for the London 2012 Games. This was a decision that was widely criticized. The Arts Council of England, the Heritage Lottery Fund and Sport England were among groups that expressed disappointment. Sport England, which lost £55.9 million in funding, said that the decrease was “a real blow to community sport in England.” The Chief Executive of the Arts Council England said the impact would likely be felt across all of England and disproportionately by smaller arts organizations, local projects and individual artists.  

The Chairman of Sport England was so enraged he publicly complained that the cuts would seriously compromise community sport participation. He was so vocal in his criticisms that he was eventually removed from his job.  

A number of the major sport governing bodies saw the Chairman of Sport England’s departure as an opportunity to voice their long-held view that more money should be directed to elite and high profile sporting events. The result was a major shift in policy away from a concentration on the promotion of physical activity to a focus on elite sport.
Another choice for jurisdictions is to create independent or arms-length foundations to distribute lottery grants. This is the approach the province of Ontario took with the creation of the Trillium Foundation in 1982, now Canada’s leading public granting agency, directing approximately $120 million from lottery revenues on an annual basis to nonprofit organizations. This public foundation claims its primary goal is to “build healthy and vibrant communities throughout Ontario, and to strengthen the capacity of the voluntary sector through investments in community-based initiatives.” Funding decisions for the Trillium Foundation are made by more than 300 volunteers in communities throughout the province.

Croatia uses a similar model for distributing a portion of its lottery revenues. In 2003 when the Croatian parliament passed legislation to create a state-owned lottery, the government was mandated to distribute 50 percent of the proceeds from the lottery to criteria set out in a decree issued annually. From that 50 percent, 14.10 percent was allocated for the development of civil society. The rest was distributed by different ministries to support a broad category of programs including humanitarian aid, sport and recreation, cultural enrichment, support for people with disabilities and combating drug use. Croatia stands apart by using some of the proceeds from the national lottery to create and provide ongoing funding to a new organization called the National Foundation for Civil Society Development. The International Centre for Not-for-Profit Law hailed this initiative as a “critical step forward for the development of civil society and the financial sustainability of non-governmental not-for-profit organizations in Croatia.”
The Croatia National Foundation for the Development of Civil Society (NFCSD) is a public law, not-for-profit entity whose mission is to serve and strengthen civil society in Croatia. The foundation’s primary focus is on supporting grass-roots initiatives and programs that do not fall within the competence area of any particular government ministry.\textsuperscript{48} The NFCSD receives 96.55 percent of the funding allocated for the development of civil society. The rest is distributed by the Ministry of Foreign Affairs and European Integration for international cooperation programs.\textsuperscript{49} The NFCSD collaborates with the Council for Development of Civil Society, a cross-sector advisory body of the government and the Office for Cooperation with NGOS, to develop public policy for the not-for-profit sector in Croatia. As the strongest public grant making institution in the country, the NFCSD provides essential support services to NGOs. Because a majority of members on its governing body are representatives of civil society it is able to act independently from the government. The foundation’s focus on institutional support allows community service organizations to concentrate on its “core business” rather than investing scarce resources into continuous fundraising and working from project to project. The organization also supports separate projects and programs for civil initiatives that are at the community level and volunteer driven.\textsuperscript{50}

4.12 DISTRIBUTION BY GOVERNMENT AGENCIES OR COMMITTEES

Another way to distribute lottery funds is to have civil servants develop and administer grant programs through government departments or committees. This is an option that has come under widespread criticism in jurisdictions like South Africa and British Columbia because of the potential for political interference. Legislation in South Africa
specifies that three distributing agencies, with members appointed by the Minister of Trade and Industry, act as the mechanism through which the National Lottery Distribution Trust Fund adjudicates grant applications. The word “agency” is an inaccurate term to describe these distribution bodies as they operate as ad hoc committees appointed by the Minister with no formal structure outside of government. No voluntary sector organization or groups of volunteers rooted in the communities potentially benefiting from lottery funds play a role in the distribution process. The Opposition party accused the National Lotteries Distribution Trust Fund of allocating millions of dollars in grants without following correct procedures and for distributing money to beneficiaries that did not meet the funding guidelines. Employees of the distribution agencies within the Lottery Trust Fund were also accused of soliciting bribes from non-governmental organizations to expedite grant applications. The government’s response was to commission an independent investigation to review the allegations, but when it announced it was doing this, it significantly downplayed the issues.

British Columbia has also suffered a troubled past in its efforts to fund the nonprofit sector from gambling proceeds through government-directed granting programs. Originally, the province created a separate Lottery Fund and the Minister in charge was granted the ability to disburse discretionary grants for any purpose considered to be in the public interest. The province was forced to change the way it administered gaming grants in 1990 after the Minister resigned over a breach of trust for authorizing a grant of lottery monies to a society he had close personal ties to. The Attorney General was also forced to resign after evidence came to light that he used his authority to not prosecute the former Provincial Secretary for misuse of lottery funds. This incident
prompted a review of the use of lottery funds by the Comptroller General and the Auditor General which led to improved guidelines and systems for lottery grant programs. Guidelines were clarified and the government pledged to issue annual reports listing all lottery grant recipients in the future — something they did for a number of years.\(^{56}\)

Controversy continues to plague the BC’s gambling granting programs. The Gaming Policy and Enforcement Branch of the Ministry of Finance came under scrutiny for the cutbacks that have been made to the granting programs and the way these programs are administered. Money is directed to the broad areas of Arts and Culture; Sport, Environment; Public Safety; Human and Social Services; and Parent Advisory Councils and District Advisory Councils aligned with schools.\(^{57}\) The Arts Coalition of BC (which represents 21 provincial arts organizations) has been leading a lobby campaign to protest that these community grant programs have been significantly scaled back in recent years, causing what they describe as “turmoil for the arts sector.”\(^{58}\)

### 4.13 LOTTERIES RUN BY THE NONPROFIT SECTOR

A far less common approach to organizing and regulating the lottery industry is for governments to assign licenses to voluntary sector organizations to run their state lotteries on their behalf and to distribute the proceeds to causes under their umbrellas. This is the approach taken in Saskatchewan, and only the countries of Costa Rica, Ecuador, Iceland and Portugal and the city state of Hong Kong operate lotteries in a similar manner. Other countries like the Netherlands allow nonprofit organizations to run lotteries as fundraisers for their sectors in competition with state-directed lotteries but the jurisdictions listed
above have gone to greater efforts than other states to devolve responsibility for this industry to the voluntary sector.

4.13.1 COSTA RICA

Costa Rica has two national lotteries that are run by a nonprofit organization called the Junta de Protección Social (Social Protection Council). The National Lottery - *La Lotería Nacional* - was established in 1885 to raise money for the public hospital in San Juan de Dios. Since then the Social Protection Council has expanded its services to a broader range of social welfare areas including funding to the Red Cross and programs to fight AIDS and alcoholism and other social policy initiatives. The Social Protection Council advertises its mission as helping to strengthen the social welfare system in Costa Rica by generating resources to transfer to state and non-state institutions and social organizations for the benefit of the country’s most vulnerable groups. The Popular Lottery, (*La Lotería Popular*) is similar to the National Lottery. It was created in 1940 to raise funds for the hospital in San Juan and as a way to end an illegal lottery that was operated called *Los Chances.*

4.13.2 ECUADOR

In Ecuador the government licenses the Junta de Beneficencia de Guayaquil (Guayaquil Welfare Board) to run that national lottery as a way to raise funds for a wide range of health, education and social services for the country’s most vulnerable populations. This organization is a private nonprofit charitable institution that was founded in 1888. It is the largest NGO in Ecuador and the organization’s website indicates it is the only one of its kind in Latin America. The organization describes its mission as improving the quality of life for those not covered by public or private health insurance, or those that do not have
access to education due to extreme poverty. It operates four hospitals and two institutions that provide care to the elderly, two schools that provide education and care for underprivileged children and teenagers and housing, food and clothing for disadvantaged girls. The Guayaquil Welfare Board also provides free cremation services to individuals who have been abandoned and waives the costs of property taxes for impoverished families by allowing their family members to be buried in one of two cemeteries they own.60

The Guayaquil Welfare Board publishes a comprehensive social responsibility report that details its operations and how lottery revenue and funds it raises through other means such as selling medicines in pharmacies in hospitals and private services in its clinics. Citizens who can afford these services help subsidize the Board’s charitable endeavours. The report indicates that the Board has implemented a collaborative approach with twenty-four smaller charitable organizations located throughout the country so that they can reach the most remote regions in need of social assistance. This report also states that the Board cooperates with the Ministry of Health, the Ecuadorian Institute of Social Security and other government bodies to determine priorities. It is difficult to determine the extent of this cooperation and the nature of the relationship or whether the terms of the lottery license are regularly negotiated as a way to ensure that the public policy priorities of the government are factored into how revenues from the Board are spent.61

4.13.3 HONG KONG

Hong Kong collaborates with the third sector to operate commercial gambling and uses the proceeds for education, health, social welfare and other types of social services. The
government does not directly provide many of the social services it underwrites. Instead, it relies on hundreds of voluntary organizations to deliver social services. Through a range of charitable trust funds and statutory grants administered by various government agencies, the Hong Kong government is a major player in the social welfare and education sectors. Block grants have historically been a major part of the budgetary resources for specific types of Hong Kong nonprofits. As one voluntary sector scholar has observed, although the Hong Kong government is often depicted as laissez-faire, knowledgeable observers characterize its role in facilitating the development of a vibrant third sector as “positive non-interventionism.” The British Government which took possession of Hong Kong in the 1830s and converted it to a full Crown Colony in 1843 took a hands-off approach to economic and social problems. As a result, a vibrant nonprofit sector emerged out of the collective response of citizens to their community’s social needs.

The Hong Kong Jockey Club (HKJC) was originally established as an exclusive club for people interested in horse racing. Beginning in 1914, the Club paid increasing attention to charitable and community works. Following the First World War and after several years of recovery, the Club established the Hong Kong Jockey Club (Charities) Ltd. as a way to oversee surplus funds. By 1959, the Club began its tradition of consulting the Government of Hong Kong to ensure that the fund was complementing the government’s social policies. Since the HKJC is a not-for-profit operator, it is governed by a volunteer Board of Directors called the organization’s “Stewards.”

With the growth of horse racing’s popularity there was an increase in illegal bookmaking which prompted the British Government to authorize the Club to operate

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off-course betting branches in 1973. In 1975, around the same time many jurisdictions around the world were beginning to set up government-run lotteries, the HKJC was authorized by the British government to run public lotteries to benefit the people of Hong Kong. The Club expanded its business even further in 2003 when it was authorized to enter into football betting. Fifty-four percent of every dollar spent on the Mark Six lottery in Hong Kong is used to fund prizes. The HKJC receives a commission of 6 percent to cover the operating costs of the lottery. A 25 percent lottery tax is paid to the government and 15 percent of the net revenues go into a special Lotteries Fund established by the government to finance social welfare capital projects.

This means that the Hong Kong Jockey Club continues to have a monopoly to run all legal gambling activities in Hong Kong. The Club typically contributes over 10 percent of the Hong Kong Government’s revenues in the form of betting duties and other taxes. Just as importantly, the HKJC’s operating surpluses are directed to vast public spending programs. The total direct return to the community in 2012-13 in terms of tax payments, charitable donations and contributions to the Lottery Trust Fund exceeded HK$20.74 billion, making the nonprofit entity the city’s largest taxpayer and charitable benefactor. The Club is also one of Hong Kong’s largest employers, providing some 26,000 full-time and part-time job opportunities. The HKJC ranks among the world’s largest charitable organizations, donating an average of HK$1.3 billion to the community every year over the past decade. In 2012-13, the total approved charitable donations were close to HK$1.950 billion. Charitable donations are provided in four major areas: community services; education and training; medical and health; and sports, recreation and culture.
The Jockey Club continues to play an integral role in Hong Kong’s development, serving every sector of the community. Many of Hong Kong’s hospitals, educational establishments, sports and recreation and cultural facilities were funded in full or in part by the HKJC. These social expenditures have, in turn, helped keep the Government’s own spending under control. There appears to be a strong focus in all of the HKJC’s charitable endeavours in partnering with existing community organizations or government-sponsored agencies to add to or complement priorities identified by groups or individuals already working in the areas being supported. The HKJC’s website is rife with language denoting an emphasis on efforts to reduce social inequality, improve access and participation by less privileges populations.

4.13.4 ICELAND

In 1933 the Icelandic parliament granted the University of Iceland the monopoly rights to run a lottery in Iceland with monetary based prizes. All profits would remain with the university except for a 20 percent license fee which would be paid to the state for the monopoly rights. Since then four other nonprofit organizations have been granted licenses by the state to operate lotteries. Each lottery provider offers one particular form of lottery, except for the University of Iceland Lottery which has a more general permit to run a lottery with cash prizes. A lottery was established in 1949 to raise funds for the Icelandic Association of Tuberculosis and Chest. In 1954 elderly seaman were granted a lottery license as a means to fund retirement homes. Both of these lotteries have to give non-monetary prizes. Sports Betting was introduced in 1972 and lotto in 1986. The Sports Betting and Lotto have now been merged into one company called Íslensk Getspágetraunir. According to Icelandic law, the Lotto which this company runs is
considered a numbers game, not a lottery. This allowed the Icelandic parliament to permit a new lottery license without breaching the University of Iceland’s monopoly right for running monopoly based lotteries in Iceland.\textsuperscript{74}

4.13.5 PORTUGAL

The Santa Casa da Misericórdia de Lisboa lottery in Portugal is one of the oldest lotteries in the world. Santa Casa is a nonprofit organization that was established in 1498 and has been selling lottery tickets to finance its activities since 1783.\textsuperscript{75} For centuries all profits went to the hospital in Lisbon and for many years lottery tickets were sold by long-term, but mobile patients as a form of social welfare. After the Second World War when sports betting and other lotteries were added to the gaming mix and profits were escalating, the government demanded a percentage of the revenue for itself and appointed other charities (including sport) to be additional beneficiaries. Santa Casa remains the only lottery operator in the country. The lottery organization is part of the hospital structure but run independently and guided by a board of directors appointed by government and the hospital.\textsuperscript{76} Of total sales, 20 percent is allocated to the public treasury which uses the revenue for child related welfare programs.\textsuperscript{77}

Santa Casa still has a strong focus on health care and social services, particularly in the Lisbon area, but revenue from the national lottery is also allocated to community and civic projects, supporting hospitals and churches around the country.\textsuperscript{78} Santa Casa is the second largest landlord in Lisbon and uses properties it has purchased over the years to support its social housing objectives. It also operates a Bank for Social Innovation which offers several programs that support social innovation including a granting program that provides support to projects to encourage and facilitate solutions to social
problems, especially to businesses promoted by individuals who are unemployed. Santa Casa also offers a number of vocational training programs. 79

4.14 CONCLUSION

Saskatchewan is in the only place in North America and one of only five jurisdictions in the world where a third-sector organization operates and distributes the benefits of a state lottery. It is the only jurisdiction in the world where an amateur sport federation operates a state lottery as its funding mechanism and has a collaborative arrangement with the government to determine the priorities for this revenue. No other scholarly case studies have been conducted of other jurisdictions with arrangements with the voluntary sector to run their lotteries. The chapters that follow will provide a detailed examination of the history of the provincial lottery in Saskatchewan and the policy lessons this alternative governance model offers.

3 According to World Atlas.com, depending on the source there are between 189-196 independent countries in the world. For the purposes of this research, the list provided by World Atlas.com was used which cites 194 countries: 54 in Africa, 44 in Asia, 47 in Europe, 23 in North America, 14 in Oceania; and 12 in South America.
4 Kerry Glenn-Edward Chambers, “Gambling-for-Profit in Late Modernity” (Ph.D. diss., Dalhousie University, 2008), 4-5.
5 Ibid., 42-44.
7 Guy Simonis was general manager of the Western Canada Lottery when it was formed in 1974 and became the founding president of the British Columbia Lottery Corporation when it ended its 10-year association with the WCLF. Lafaille helped establish the Atlantic Lottery Corporation and was ALC’s first general manager. He also spent a number of years as Loto-Québec’s CEO. Both Simonis and Lafaille have served on the executives of international lottery organizations like the World Lottery Association, the International Lotto and Toto Organization, and the North American Association of State and Provincial
Lotteries. Their self-published book was endorsed by the World Lottery Association, whose President at the time wrote in the preamble: “When it became known that two of our gaming sector’s eminent leaders and practitioners, Guy Simonis and Jean-Marc LaFAILle, were joining in producing a book dissecting and re-assembling gaming, it became quite natural for the World Lottery Association to assist in the production of this important work.”

8Jean-Marc LaFAILle and Guy Simonis, Dissected and Re-assembled: An Analysis of Gambling (Coquitlam, BC: International Web express Inc., 2005), 73. This claim was confirmed through the cross-national research conducted by the author.

9Ibid. 78-79.


11Ibid.


17Chambers, “Gambling for Profit,” 120-123.


19Ibid.


64Fichtl, “An Introduction to the Third Sector in Hong Kong,” 2.

65“Hong Kong Jockey Club Archives,” Hong Kong Memory, accessed August 1, 2014, http://www.hkmemory.hk/collections/hkjc/charities/index.html. Hong Kong Memory is a multi-media website that gives free and open access to digitized materials on Hong Kong’s history, culture and heritage.


72Richard Cullen, Hong Kong: The Making of a Modern City-State,” 37.


76Guy Simonis, email message to author, September 23, 2014.


78Ibid.

In 1971, as they headed into a provincial election campaign, lotteries was not on the list of political priorities for Allan Blakeney and the New Democratic Party (NDP). Changes made to the *Criminal Code of Canada* in 1969 by the federal government paved the way for the provinces to allow religious or other charitable organizations to hold large-scale lotteries or if they wanted, to set up Crown corporations to benefit from this new way of raising funds for public purposes.\(^1\) Blakeney and many of his closest followers in the NDP, however, were not inclined to actively promote or profit from this new opportunity to raise funds. The federal NDP took a very strong stand against legalizing gambling when the Liberal government under Prime Minister Pierre Trudeau changed the Criminal Code. The social democratic opposition to gambling was based on the central premise that the tax system should be used as an instrument to reduce social inequality. State-directed lotteries were rejected because they were viewed as a regressive form of taxation since revenue would be collected for government services from those least able to afford to pay. National party leader Tommy Douglas summed up the NDP’s arguments in a speech to the House of Commons:

> If governments in Canada need more revenue, then that revenue ought to be collected from people on the basis of their ability to pay and according to the size of their income. It ought not to be obtained by appealing to the avarice of individuals or holding out hopes to people who have very little chance of improving their lot by buying lottery tickets. This is a complete reversal of the whole idea of fiscal policy in Canada.\(^2\)

Blakeney shared similar sentiments to gambling as Douglas did. “I took the view ... that it is no business of the state to encourage gambling unless it is the only feasible way to
control the activity,” said Blakeney. “I regard organized gambling as a tax on the poor
and a way to sell dreams when there is no realistic likelihood of them being realized.”

This chapter will explore how and why, given the level of resistance that the NDP
had to gambling, the subject of state-directed lotteries made it to the political decision-
making table in Saskatchewan. John W. Kingdon’s theory of agenda setting will be used
as a framework to examine the processes that participants inside and outside government
took to embark on a novel experiment in running lotteries which empowered voluntary
sector partners with a new fundraising mechanism. The chapter begins by identifying the
“policy entrepreneur” credited by most of those interviewed on the early history of
Saskatchewan lotteries as the person responsible for convincing the government to
devolve operation of the provincial lottery to the amateur sport federation. A closer look
at the issues which compelled the government to give consideration to this policy option
will then be considered. This will be followed by a discussion of the steps the policy
entrepreneur took to develop a viable alternative to the status quo direction that the rest of
Canada was adopting.

5.1 THE POLICY ENTREPRENEUR

Bill Clarke was the individual identified by a number of people in senior positions within
the Canadian lotteries industry, as well as volunteers and staff in Sask Sport, as the
“architect” of the Saskatchewan Lotteries system. Clarke had a background and passion
for both amateur and professional sport. He also had a keen insight and understanding of
broader societal trends and future decisions the Saskatchewan government would be
pressed to deal with. He was well-known and respected in sporting circles for playing
offensive and defensive tackle for the Saskatchewan Roughriders for 14 years, twice being named to the Canadian Football League’s Western All-Star Team and twice nominated for its most valuable player. Clarke had also made a name for himself in curling, skipping the winning rink in the first officially sanctioned Canadian Junior Men’s Curling Championship in Quebec City in 1950. In 1966, he ran unsuccessfully for the federal Liberal party. After losing the election he was offered a job as a civil servant.4

5.2 GOVERNMENT SUPPORT FOR SPORT AND RECREATION

Clarke joined the civil service during a pivotal era in the development of amateur sport and recreation policy — not just in Canada but internationally. As sport sociologists have observed, government involvement in the area of sport and recreation can be linked to the historical developments of the Canadian welfare state and conceptions of citizenship and nationalism. A number of social reform organizations in Canada had been advocating for government to provide support for sport and leisure as early as the 1890s. The National Council of Women, for example, though initially charitable in purpose, created the playground movement at the beginning of the twentieth century as a way to provide adequate leisure for working-class women and children.5 During this period there was the rise of “muscular Christianity” when many mainstream churches built gymnasiums and organizations like the YMCA and YWCA, the Boy Scouts and Girl Guides and sports clubs and governing bodies for amateur sport were established or expanded. Sport was viewed as a way for leaders to bring religious messages to citizens in a way that was more relevant to their lives. Access to sport and recreational activities were also regarded as education for citizenship and social responsibility.6
The first period of government intervention in Canada, from roughly 1930 until 1940, has been referred to as an era of “narrow liberalism” when welfare service provision remained largely in the hands of the individual, the family and charitable organizations. During this time only limited funds (primarily in the form of occasional grants to athletes to represent the country at international competitions) was directed towards the sports and recreation sector. The federal government also established training centres to improve the physical and mental fitness of young men due to the perceived need to adopt measures to prevent social disturbance from high unemployment.

Sport historian Jean Harvey has classified the years between 1940 and 1975 as the “period of consolidation.” These years were marked by a steady growth of welfare state measures which included increasing attention by the government to health and fitness. In 1943 the National Physical Fitness Act was passed which was a cost-sharing program with the provinces. Saskatchewan participated in this program by creating a Physical Fitness Division within its Department of Health. This was the first formal recognition of the role the province should take in promoting and encouraging sport-related services. Since most of the work the province was doing in physical fitness dealt with the school age population, the division was moved to the Department of Education in 1948 and renamed the Saskatchewan Recreation Movement.

Sport historian Bruce Kidd has referred to Douglas, the premier of Saskatchewan when this program was established, as one of Canada’s most famous muscular Christians. In his youth Douglas was an active athlete and twice won the light heavyweight boxing championship in Manitoba. While best known for his role in advocating for a national
Medicare system, Douglas was also very supportive of providing universal access to sport, culture and recreation. Unlike the federal program and those in many other provinces, the mandate was much broader in Saskatchewan than a simple concern for physical fitness. Under the Douglas government a series of grants were offered to stimulate and assist in the development of community-based sport, culture and recreation programs. Civil servants were hired to help organizations like the Saskatchewan High Schools Athletic Association and the Saskatchewan Recreation Association take root. This period also saw more attention paid nationally, provincially and municipally to the construction of leisure and recreation facilities. Sports fields, parks, rinks, civic centres and pools sprang up around the province. As military bases closed down, many of their indoor facilities were moved, renovated and put to good use in communities across the province.13

Bill Clarke began his career with the Saskatchewan government when Ross Thatcher and the Liberal party took office in 1964. At the federal level increased interest was being directed to amateur sport. Investments in sports and recreation that were made by the Diefenbaker government in the early part of the decade were enhanced and buttressed with policy interventions by the Trudeau administration in the late 1960s and early 1970s.14 Social welfare was starting to be seen as not just the sole responsibility of the individual and the family, but also a right that should be guaranteed by the state. This translated into the state being used to equalize opportunities for participation both in high performance sport as well as recreational sport and fitness programs aimed at the masses.15 These developments will now be examined in more detail.
In 1961 the federal government, led by Prime Minister John Diefenbaker, passed the *Fitness and Amateur Sport Act* (Bill C-131). For the first time, significant public funds were used to encourage, promote and develop fitness and amateur sport. The Government created the *Fitness and Amateur Sport Directorate* to administer funds which were to be used, among other things, to create national teams and replace club teams that had previously represented Canada at national and international competitions. The new sport bureaucracy also established the Canada Games later in the 1960s, providing financial support for athletes’ training and travel. Since the provinces were called on to administer the federal funds, federal-provincial agreements were signed and plans were made to move the sport agenda forward.16

Athletes, along with coaches and families anxiously awaited their first opportunity to gather together to compete against the best teams and individuals in Canada. More than 1,800 athletes from ten provinces and two territories came together in Quebec City in February of 1967, competing in 15 sports, for the first Canada Games. From that point forward the Canada Games would be held every two years, alternating between summer and winter, and would be a key event in the development of Canadian athletes.17 Pierre Trudeau expanded on Diefenbaker’s legacy, pursuing a purposeful agenda in using sport to promote Canadian unity. A task force on sport was created and a number of measures flowed from this report aimed at professionalizing amateur sport and propelling Canadian athletes to the international stage.18 It was during this same time period that other countries around the world also started to provide explicit budgetary support to the sport sector. Very few economically developed countries placed a priority on sport policy until the 1970s.19
In Saskatchewan the government responded to the changing societal conceptions of sport and leisure by passing *The Saskatchewan Youth Act* in 1965. This Act established a “Youth Review Committee” to study the needs and aspirations of Saskatchewan young people. University of Saskatchewan physical education professor Dr. Howard Nixon was appointed Executive Director. Together with Committee Chairman Dr. Lloyd Barber, the mandate and actions of all government departments and agencies were reviewed for the role they played, or could play, in addressing the needs of young people. Under Nixon and Barber’s direction, the Youth Review Committee visited more than 118 communities and accepted 242 briefs from individuals and organizations to get first-hand viewpoints on the gaps.20

The recommendations of the Youth Review Committee led to the establishment of the Provincial Youth Agency in 1966, which was given the mandate of ensuring sport, culture, recreation and leadership opportunities for young people were available across the province at the community level. The focus for development was through the formation of community recreation boards established by, and accountable to, local municipal councils.21 The commission’s report - *Youth: A Study in Our Times* - recommended that a number of new initiatives and programs be established. As a result, the provincial sport and recreation infrastructure in the province was greatly expanded. In 1966, the Youth Agency announced a series of new grants to develop regional recreation organizations and programs to encourage communities to organize sport, culture and recreation activities. Only established recreation boards were allowed to apply for these grants. When the Youth Agency was formed, the province was divided into eleven
regions and regional coordinators who were government employees were placed in each region.\textsuperscript{22}

Bill Clarke was one of the first people hired by the Youth Agency — his primary job being to meet with small town mayors and councils and help them set up recreation boards. He was soon promoted as the Director of the Agency’s Sports Branch. The focus of the provincial government would remain on policies and programs aimed at wide-scale public participation in sport and recreation. However, Clarke’s background as a professional athlete led him to have a personal interest in looking for opportunities to help Saskatchewan athletes reach the pinnacle of success on provincial, national and international stages. Clarke identified two changes that were required to achieve this ambitious vision, and he would play a key role in facilitating these changes. The first was that sports bodies in Saskatchewan had to be better organized and more collaborative in order to champion their interests and benefit from economies of scale. The second was that they needed additional resources as the cost of organized sport was escalating at a dramatic pace. Once sport moves beyond the recreational and community level to the competitive sphere, a number of new costs had to be considered. Athlete development, training for coaches and officials, equipment and uniforms, travel to inter-community and out-of-province competition were expenses not previously incurred.\textsuperscript{23}

5.2.1 ORGANIZING THEIR INTERESTS

“The Canada Games were the thing that really projected us into the future by forcing us to form organizations. No provincial association was allowed to participate in the Games unless they were registered and affiliated with a national association,” said Bill Clarke,
“So, right away that provided a tremendous stimulus for sport development in Saskatchewan. We’d go out into the country and in the cities and talk to people and they had some organizations but they didn’t speak to one another. This kind of got them speaking to one another.”24 Clarke and others working with him in the Youth Agency also had the desire to have one central sports body to work with in order to facilitate closer cooperation between the government and the amateur sport community in addressing common problems and preparing for multi-sport games.

One of the initiatives the Youth Agency undertook early in its mandate was to organize a multi-discipline sport conference in Regina so that groups could start working together to address common problems. According to Clarke, the time was not yet right. Many of the groups that attended this meeting were unsure what the role of the Youth Agency was. They were fearful that the new agency was going to take over sport and the individual associations would lose their autonomy. “They came and they said, ‘We don’t want any part of this heavy power play that’s going on.’ I don’t think it was a power play,” said Clarke. “I think it was a sincere effort but, at the same time, the organizations just kind of went into a shell and started protecting themselves.”25

The next attempt to get sport organizations to work together came out of the Youth Agency’s support for a sport administration centre. This was in direct response to the appeal by three of the larger associations in the province, the Saskatchewan Amateur Hockey Association (SAHA), the Saskatchewan High Schools Athletic Association (SHSAA) and the Saskatchewan Parks and Recreation Association (SPRA) for office space, administrative assistance, part-time management and secretarial services. The
groups believed that a single office would reduce rental and office costs, and provide better coordination of school and community recreation and sport programs.\textsuperscript{26}

In October 1969 these three organizations formally incorporated a new umbrella organization called the Saskatchewan Sports and Recreation Unlimited (SSRU) to meet these needs. This was the first sports administration centre in Canada though it was soon followed by the national sport centre in Ottawa. Years after, when he was interviewed about the early sports development in the province Bill Clarke said the “Administration Centre became the real key upon which we could build the infrastructure because we could provide some printing services and some office space and some regular phone numbers and some answering services. This allowed the volunteers to do what they did best — to teach, to coach or participate and it gave them a chance to let someone else do the administration work.”\textsuperscript{27}

Clarke and the provincial government did not drop the idea of establishing a sports federation. Clarke called upon Hank Lorenzen, a Regina-based architect active with the Saskatchewan Volleyball Association, to help him get feedback about forming a federation. Lorenzen and Clarke visited with several sport groups in the period leading up to the fourth provincial conference on sport that was convened by the Youth Agency in the fall of 1970. It wasn’t hard to convince Lorenzen to form a sports federation. He had attended the previous conferences organized by the Youth Agency. Lorenzen said that many of the sport groups were starting to see that although they had unique problems for their own sport organizations, they also had very similar concerns. “They had equipment problems, facilities problems, they had personnel problems – they couldn’t always get enough volunteers to run their show and some outfits that were quite small required a
huge number of volunteers.” Lorenzen claimed these common challenges “all came out
in these discussions that we should develop some kind of a sports federation that could
find the things that were common to everyone and coordinate and organize and foster
those ... and have a voice that would speak for the whole sport community.”

As Bill Clarke reported, “We tried to form it [Sask Sport] through the Administration Centre but people were kind of paranoid that we were going to try to take some power away from them — that they ran their own organizations. They didn’t need any interference — just money. And that was a hard point to get across that we weren’t trying to interfere with how they ran their sport organizations — we were just trying to provide more help.” Eventually, the Youth Agency, by working with key volunteers in the sport community, was successful in convincing provincial sport governing bodies to form a federation to represent their collective interests. It was at a meeting coordinated and paid for by the Youth Agency in the fall of 1970 where the push for developing a multi-sports federation really gained momentum. One of the most important outcomes from this meeting was a resolution to set up a steering committee of representatives of sport governing bodies to work with the Youth Agency to research other sports federations already established in Canada, Europe and the United States with the aim of developing a federation in Saskatchewan. Delegates were enthused about the possibilities a federation could provide them including a coordinated fundraising program and access to increased grants.

A new provincial government led by Allan Blakeney and the New Democratic Party was elected on June 23, 1971, just a few months before the new sport federation’s founding meeting. Civil servants working for the Provincial Youth Agency described the
political transition as a relatively smooth process for their organization. The new
government appeared to be in tune with the previous administration’s efforts to develop
the volunteer capacity of sport, culture and recreation throughout the province. The
Blakeney government even enhanced the momentum in these areas by elevating the
status of the Youth Agency to the Department of Culture and Youth in 1972.

5.2.2 NEW FUNDING MECHANISM
In 1970, Bill Clarke and others like him in the sport policy community became aware of a
new potential avenue for funding amateur sport — gambling. The province of Quebec
was the first government to take advantage of the new, more permissive laws on
gambling. By January 1, 1970, when the federal laws came into effect, the Quebec
legislature had already passed third reading of a Bill creating Loto Québec and the new
Crown Corporation became operational that same day. The Minister of Finance, when
introducing the Bill, predicted that it would bring in between $10 to $18 million in its
first year — funds that would be spent on youth, recreation and sport. It was from the
voluntary sport and recreation communities that the greatest push was directed to
provincial governments to take advantage of this new revenue-generating stream. As a
former Chairman of Sport BC stated: “... the enormous platform of international televised
sport, and the emergence of sport as an armament in the Cold War, made government
realize that national pride and political ideologies were at stake — as well as some
medals. Fully exploiting these opportunities was costly...Public lotteries became the
salvation through which government could fund sport in a relatively painless way.”

Across the country, provincial governments were soon inundated with requests by
charitable organizations for lottery licenses. In western Canada, it was the province of
Manitoba that led the charge. The newly-formed Manitoba Sports Federation convinced the province to let it organize a Sports Toto to finance the province’s centennial celebrations. This lottery relied on volunteers from sports and service clubs to distribute and sell tickets. Volunteers received a 45 percent commission on the tickets they sold. Nearly 75 percent of the sales from the Manitoba Centennial lottery were sold outside the province of Manitoba. Guy Simonis was the founding president of the Manitoba Sports Federation, and the person who pushed the organization to move into the lottery business. Simonis was a provincial civil servant who worked as an immigration consultant for the Department of Industry and Commerce. As part of his job, he travelled to Europe several times a year and observed numerous Sport Totos raising funds for amateur sports as well as national lotteries raising funds for Olympic sport development.34

The first foray into legalized gambling in Saskatchewan was the Lucky Dog Lottery, organized by the Canada Games organizing committee to raise funds for the 1971 Winter Games held in Saskatoon. Over $300,000 was raised for the Winter Games and, after they were over, the organizer (who was also very involved in the Saskatoon Hilltops Football Club) felt the lottery had been such a success that it should not be allowed to fold. Once the Games wrapped up, organizers continued the lottery as a major fundraiser for amateur football in Saskatoon.35 Another organization that saw the potential of lotteries was the Regina Exhibition Association which wanted to raise money for a large facility in Regina. The President of the Regina Exhibition Association judged that Liberal Premier Ross Thatcher was very reluctant to grant support to the Association’s Saskatchewan Derby Sweepstakes, which was modeled after the Irish Sweepstakes, and based on horse racing. The only way the Premier would approve the
Exhibition Association’s first lottery was if it was willing to share the profits with the eleven smaller fairs in communities scattered throughout the province that were struggling to survive.36

5.3 THE POLICY WINDOW OPENS

As premier, Blakeney shared his predecessor’s reluctance to enter the lottery business. Despite these apprehensions, he did not stand in the way of his Minister of Culture and Youth, Ed Tchorzewski, and civil servants like Bill Clarke from participating in inter-provincial meetings to discuss the formation of a regional lottery corporation. Guy Simonis was recruited from the Manitoba Sport Federation to lead this initiative on behalf of the Manitoba government. As Simonis explained: “There was no point in setting up a lottery in every province because we would just be beating the hell out of each other.” Simonis’ main job was to work with his minister to convince the other western provinces of the benefits of combining forces to market lotteries collectively on behalf of all four jurisdictions. “The provinces couldn’t even agree on the day of the week,” said Simonis, “so this was a daunting task.”

It was this movement to form the Western Canada Lottery Foundation which provided Bill Clarke with the “policy window” he needed to push his strategy for using lotteries to fund amateur sport in Saskatchewan. According to Kingdon, “windows are opened either by the appearance of compelling problems or by happenings in the political stream.”37 Blakeney described the problem that faced his government in this manner: “When the western provinces were organizing the Western Canada Lotteries, Saskatchewan declined to take part but it was not long before we found that there was
widespread sale of lottery tickets in Saskatchewan by agents acting for the Manitoba and Alberta lotteries.”

Ned Shillington served as executive assistant to Attorney General Roy Romanow during the Blakeney government’s first administration. He was elected in the second term and appointed to cabinet in 1975. Shillington agreed with Blakeney that the government’s hand was forced on the issue of lotteries. Citizens were purchasing tickets regardless of whether the government liked it or not. Shillington said that Blakeney was open to options that would minimize the government’s role in promoting and directly benefiting from lotteries because he felt it was not a socially desirable activity. Shillington also said that funds from lotteries were not seen as a stable or permanent revenue source. This led the Premier and other elected officials to believe that their participation in lotteries should be set up in a way that would not affect general revenues. Any profit from lotteries would not be used to fund essential public services like hospitals or schools. Instead the profit would be used for what Shillington described as the “extras or frills.” The former Minister also pointed out that during the 1970s the province’s finances were in very good shape. He believed there was no real motivation for the government to get into the lottery business itself. As Shillington said, “The government was adequately funded and didn’t really need the money.”

The government was looking for a compromise that would keep the profits in Saskatchewan but would allow for minimum government participation and amateur sports groups were looking for a way to raise funds. Bill Clarke believed he had the answer both parties were looking for. As his counterpart in Manitoba, Guy Simonis recalled, “When we began to canvass the other provinces with the idea of a Western
Canada Lottery — Bill, anxious not to betray his sports protectorate — was not at all enamored with the idea of a government-run lottery that might use its funds for other purposes than sport. In this quest he played upon the reluctance of a socialist party to enter into anything as crass as a lottery run by a government department.”

Clarke was determined to convince the Saskatchewan government to consider taking a significantly different approach to lotteries than other provincial governments were taking or planning to take. Provinces like Quebec and Ontario opted to create crown corporations to run their provincial lotteries and coordinate interprovincial lottery initiatives on their government’s behalf. Other provinces set up bureaucracies directly within line departments and charged civil servants to act as representatives on regional lottery entities like the Western Canada Lottery Foundation and the Atlantic Lottery Corporation. These ventures were owned by the provinces, and managed collectively on their behalf. Revenues raised within their borders would then flow back to the member province’s general revenue fund and spent as each province saw fit through their regular budgetary process.

Clarke’s window of opportunity to devise a viable alternative to these approaches was limited. In a 1972 memo to Ed Tchorzewski, the Minister Responsible for Culture and Youth, Attorney General Roy Romanow wrote:

It is my view that the Government of Saskatchewan should be looking at licensing only one lottery through a Crown Corporation such as a Saskatchewan Lotteries Commission. Any profits which are obtained through this Lotteries Commission could then be parcelled out to organizations such as Sask Sport and other cultural organizations.

Clarke believed he was up against powerful critics within government like Romanow who advocated a different approach to lotteries. He also thought it was a major
policy decision for the government just to contemplate further participation in lotteries beyond smaller, charity-run affairs. “It was unbelievable what we had to go through to eventually get it,” Clarke recalled. “The Chairman of the Legislative Review Committee was a United Church minister — Reverend Alex Taylor...and as soon as we’d say ‘lotteries’ he’d get up and leave the room.” Elwood Cowley, a backbench member of the Blakeney government, confirmed that there was a strong group in the caucus and the cabinet that were opposed to gambling. He indicated that Finance Minister Wes Robbins and Minister of Education Gordon McMurchy were among those opposed to gambling. Cowley did not, however, believe the issue of lotteries was as “burning an issue” as Bill Clarke perceived it was. Despite a few dissenters, Cowley said there was no “knock ‘em down, drag out fights” around the issue. Cowley read the letter Blakeney wrote in 2011 where he reflected on the introduction of lotteries in Saskatchewan. In his opinion, “[The former Premier] sound[ed] a lot more strident than he really was.”

Though elected officials might not have been as strongly opposed to the introduction of lotteries as Clarke believed they were, he was not willing to take any chances. He did not have the advantage of reading John Kingdon’s primer on how to move problems higher up on the political decision-making table but he knew that it was not enough that there was a problem, even a pressing problem. He clearly understood (in the words of Kingdon), that to convince government to be open to his direction, he had to have “a solution ready to go, already softened up, already worked out” and that job was pretty daunting. By this time Clarke had already achieved his first objective of convincing the amateur sport community to set up a federation to represent their mutual interests.
Clarke’s next job was to ensure that Sask Sport hired the right person as their first paid employee — someone who believed as strongly as he did in the potential lotteries had for amateur sport. He would also need to find the right volunteers from the sport community to run for the Sask Sport board of directors — individuals as it turned out, who would be willing to put their own money and reputations on the line to prove the sport federation was capable of running a large-scale provincial lottery.

Through his football connections Clarke knew that R.C. “Scotty” Livingstone had recently retired from a job in the financial field and was willing to take a half-time job — all that Sask Sport was able to afford in its formative years. Just as importantly, however, was that Livingstone was well-respected in sporting circles for the instrumental role he played in building the Regina Rams into an organization that was not only a winning football team, but was well-respected in the community. Livingstone knew that the Regina Ram’s rival team to the north — the Saskatoon Hilltops — had raised significant money from lotteries so it was not hard for him to be convinced to move Sask Sport in this direction. Livingstone spent much of his time his first months on the job researching lottery options and presented a position paper on his findings at Sask Sport’s first official annual meeting in March of 1972, at which the most lengthy and hotly debated agenda item was fundraising. Despite his best efforts, Livingstone was unable to convince the more than 100 amateur sport delegates, who represented forty-two sports associations, to accept any of the more far-reaching lottery options or the budget which he presented at the meeting. Sask Sport did not completely rule out lotteries but their first foray into the gaming world was much more limited in scope. Sask Sport became an agent for the Regina Exhibition Association’s Saskatchewan Derby Sweepstakes, which would earn it
commissions based on ticket sales. This approach yielded disappointing results — raising the organization only $1,204.00.46

Despite this set-back, Bill Clarke remained convinced that lotteries were the future for Sask Sport and the amateur sport community. His first priority was to find people more favourable to lotteries to run for positions on the Sask Sport board of directors. Clarke found the right person to help him achieve these goals in Regina-based lawyer Joe Kanuka. When a position was made vacant on the Sask Sport board of directors midway through the year, Clarke convinced Kanuka to volunteer for the position. Kanuka had already served in a voluntary capacity for the fledgling sport federation by drafting their bylaws and constitution and had made it obvious at the annual meeting that he supported a much more aggressive approach to lotteries than the current President and other board members did.47

Through his influence with Kanuka, Clarke convinced Sask Sport to apply to the Department of Culture and Youth for a one-year grant to hire a full-time Executive Director. He also urged Sask Sport to apply for a one-time license to run a major lottery. When interviewed about the role he played in these events, Kanuka was quick to credit Bill Clarke for drawing Sask Sport into the lottery world. “Bill Clarke was the one who made this happen,” recalled Kanuka. “He made all the decisions.” Guy Simonis, who eventually became the CEO of the Western Canada Lottery Foundation (WCLF), agreed with Kanuka that Clarke was the one who made everything happen. “Bill used Sask Sport for their own good ends. He couldn’t convince the government by himself. He needed Sask Sport. He got it all it together — Sask Sport and the government together and WCLF. He manipulated everyone.”48
Clarke also believed it would be easier to sell his idea of having Sask Sport run the provincial lottery if the range of individuals and organizations that would benefit from the lottery was broadened to include culture and recreation. As one volunteer president recalled, the idea of working with the culture and recreation communities was an idea that was imposed on Sask Sport, but this wasn’t something he or others involved in establishing the lottery took issue: “We knew that if we didn’t take those guys in, we wouldn’t get the license.”

There was also a need to ensure that there would be larger public support for the approach to lotteries that Clarke was pursuing. One of the civil servants who reported to Clarke said part of his job was to ensure the community was on side and could understand the potential the lottery had as a fundraiser for sport, culture and recreation. He believed that Clarke and Minister Ed Tchorzewski wanted to demonstrate to government members that there was solid community support behind this plan. “We had to educate people so they could understand all the possibilities so that you were going to get the same answer from whomever you talked to. We had to ensure they were all tuned in so that nobody was going to say that it was a stupid idea.”

Even with these efforts to make the plan more attractive to Blakeney and others in the NDP government, it was no foregone conclusion that the cabinet would vote for Clarke’s proposal. He faced an uphill battle convincing the government to grant Sask Sport a license for a one-time lottery — let alone that the organization should play any more important role in the future of the gaming industry in Saskatchewan. The Regina Exhibition Association was lobbying hard for opportunities to run further lotteries and they were positioning themselves to be considered for the role Clarke reserved for Sask
Sport — that of the province’s marketing agent for the new western Canada lottery. As Attorney General Roy Romanow’s deputy minister Roy Meldrum reminded him:

It is very doubtful that the organization in question has any assets to take care of the prizes in the event that the lottery promotion was not successful. In the case of the Regina Exhibition Association they did have assets sufficient to enable them to make up any deficiencies in their first lottery.\(^51\)

Furthermore, Meldrum noted, Cabinet was being asked to approve a request from the Regina and Saskatoon Fair Boards to operate an additional lottery on the 1973 Silver Broom curling championship. Given that the Regina Exhibition already had the experience of running two large lotteries, he thought a better alternative than granting Sask Sport a license to run its own lottery was to suggest that the Exhibition Association run a larger lottery which would share a quarter of the proceeds with Sask Sport or sport associations and a quarter with the cultural community.

The only way the Attorney General’s office would agree to grant Sask Sport a lottery license, since the organization didn’t have any money in the bank to cover the costs of the prize money if sales projections were not met, was for volunteers to put their own money on the line as a guarantee. By this time Bill Clarke and Joe Kanuka had found another volunteer at Sask Sport to buy into their vision of how lotteries could one day be the answer for amateur sport’s fundraising needs. Regina business owner Cas Pielak – who was active with the Saskatchewan Baseball Association – along with Kanuka, signed a promissory note for $100,000 for Sask Sport’s Saskatchewan Sweetstakes Lottery. Pielak was in the Maritimes for a baseball federation meeting when Kanuka and the bank officials faxed him the signing deal. “We had no money. We put our signatures up. If we would have lost it I don’t know what I would have done. Bill Clarke said to me — the government would help us out. I said ‘yeah, sure, they will.’”\(^52\)
The provincial cabinet met on July 31, 1973 and agreed to give Sask Sport a year to prove itself capable of operating a provincial lottery, commencing on September 1, 1973. The minutes from the cabinet meeting also indicated that:

Based upon discussions with officials in other western provinces and dependent upon the success of the Sask Sport Lottery, consideration be given to a possible future Western Canadian lottery.53

The Department of Culture and Youth had come through with the necessary funds for the sport federation to hire a full-time Executive Director who assumed the job with a very clear understanding of what his priorities in the new position were to be: “Joe Kanuka was the President. He kept saying we can have all the dreams and policies that we want, but without money we can’t do anything, so, therefore, we have to concentrate on the lottery and get it operational.”54

Since they would need to get the lottery operational quickly, Sask Sport gathered the support of the organizers of the highly successful lottery for the 1971 Canada Games in Saskatoon. In just ten months, Sask Sport signed 101 agents representing a myriad of nonprofit organizations to canvass the province selling lottery tickets on their groups’ behalf. There was no money even to print the initial lottery tickets so a number of the groups had to take out personal bank loans to pay for their tickets. The result was even better than expected. Audited statements showed that $274,516 had been earned as commissions by the groups selling the tickets and $197,443 in net profits went to a trust fund, with fifty percent going to sport, forty percent to culture and ten percent to recreation.55

Guy Simonis, who was leading the negotiations for the Western Canada Lottery Foundation, said that Saskatchewan was the last province to enact legislation to officially
join the interprovincial lottery. “It was realized by all that if Saskatchewan introduced legislation for a lottery any sooner it would be defeated ... so it was tacitly agreed by the four ministers that Saskatchewan would be admitted under limiting legislation — knowing full well that the day of reckoning would come sooner or later, but hoping for later to allow the lottery time to get on its feet and the government time to pass the necessary legislation to “clear” the oversight.”56

When the Government of Saskatchewan introduced Bill No. 122, An Act Respecting Lotteries on April 29th, 1974, Premier Blakeney was able to declare that the approach his government was taking was “as good a compromise as we can get since neither Government nor private individuals would be promoting the sale of lottery tickets in order to get revenue for themselves.” The only benefit to government would be indirect in the sense that organizations would receive funding from the provincial lottery system that might otherwise lobby government for money.57

Tchorzewski further noted that the Lottery Act was meant to act as a fundraising tool for sports, culture and recreation organizations: “In passing this Bill there is an answer for many sports, recreation and cultural and leisure time agencies and their continual search for raising funds to finance ever-increasing demands and improvements in programming as [t]hese agencies have all experienced the problem in sufficient revenues to fulfil their financial needs and are willing to work to raise such money if a fundraising tool is put in their hands.”58

The Western Canada Lottery Foundation was officially incorporated two weeks later on May 13, 1974 under the Canada Corporations Act. The provincial governments of Manitoba, Saskatchewan, Alberta and British Columbia were equal members of the
Foundation and the Yukon Territory participated with them in the sale of lottery tickets as an associate member. The Foundation was responsible for printing lottery tickets and distributing them to the provincial marketing organizations. In Saskatchewan, that marketing organization was Sask Sport, just as Bill Clarke had hoped it would be. Clarke was the Western Canada Lottery Foundation’s first Chairman.59

5.4 CONCLUSION

Evidence presented in this chapter demonstrates that Kingdon’s theory of agenda setting, which was based on case studies from the United States, is relevant to Westminster parliamentary systems like Canada’s. Kingdon’s framework helped explain how and why Saskatchewan developed an approach to operating lotteries that was different from other provinces and territories in Canada. Kingdon’s primary finding that three separate streams of problems, policies and politics come together during certain critical times in order for items to reach the political decision-making table, is born out through the Saskatchewan lotteries example.

The history of Saskatchewan lotteries began with the changes to the *Criminal Code of Canada* in 1969 that paved the way for provincial governments to participate in large-scale state-sponsored gambling ventures. The two factors that most contributed to the opening of the policy window that pushed the Saskatchewan government to address the issue of lotteries was (1) a growing appetite from Saskatchewan citizens to participate in lotteries already in place in other provinces; and (2) the push from the other western provinces, led by Manitoba, for Saskatchewan to join with them to create the Western Canada Lottery Foundation.
Saskatchewan was the last province to pass legislation to officially join British Columbia, Alberta and Manitoba in jointly operating lotteries. Saskatchewan was a reluctant participant because it was led by a social democratic government, with a Premier who had strong misgiving about state-directed gambling. Because this issue was not high on the political agenda in Saskatchewan there was room for a creative policy entrepreneur working in the bureaucracy to develop and test alternative proposals. Bill Clarke recognized that political representatives were open to policy solutions which would allow Saskatchewan citizens to benefit from lotteries while limiting the role government would take in operating and directly benefiting from them. He believed that a viable alternative to direct government control was to license a private agency to operate and market lotteries in Saskatchewan. As a strong advocate of amateur sport, Clarke envisioned the province’s sports federation as leading this initiative.

Between 1971 and 1973 Clarke worked hard to convince Sask Sport of the potential lotteries had as a fundraiser for amateur sport. Not only did he have to use his influence to get the right people around the decision-making table at Sask Sport but he also had to persuade volunteer sport leaders to invest their own money and time to operate a pilot lottery. These steps were necessary in order to demonstrate to political leaders that the amateur sport community was capable of acting as the province’s representative around the Western Canada Lotteries table. By the time Saskatchewan government was forced to make a decision about joining the WCLF Sask Sport had demonstrated its ability to run a successful provincial lottery. The Premier and others like him who were hesitant about government-run lotteries, but recognized that Saskatchewan citizens were eager to participate in this form of entertainment, were handed a carefully
worked out compromise. The government would join the other western provinces so provincial dollars would be contained within Saskatchewan’s borders. The money would not, however, flow to government revenues or be used for what was deemed at the time to be essential services. The government would license Sask Sport to operate lotteries on its behalf as a fundraiser for sport, culture and recreation. No government money would be used to establish the lottery and no government money would be used to market lottery products.

The fact that a civil servant, and not even one who was acting in the most senior capacity in his ministry, was responsible for developing and shepherding this policy innovation through the political process, suggests an amendment to Kingdon’s theory may be necessary when applying it to jurisdictions with Westminster parliamentary systems. Kingdon’s research focussed on case studies in the US. He concluded that career civil servants working in presidential-congressional governments are not as influential in agenda setting as executive branch officials who are part of the administration or who are political appointees within the bureaucracy.

The Blakeney government which Bill Clarke worked for embraced the operating principles of well-functioning Westminster parliamentary systems that maintain an independent, non-partisan civil service. By tradition, this means that continuity of service is provided when there are changes in government because civil servants are expected to serve any administration by offering objective advice. In contrast, in many congressional systems a new group of senior officials is recruited to replace the old when new administrations are elected. Westminster civil servants, as permanent employees, are by tradition supposed to be hired and promoted on the basis of merit. If these principles are
adhered to, civil servants in parliamentary systems like Canada’s have years to perfect their skills and knowledge and therefore increase their ability to influence the political agenda. Theoretically, this means that there is more opportunity for Westminster civil servants to be policy entrepreneurs, especially when an issue like the one at the heart of this case study arises and elected leaders are open to creative solutions to political problems. Understandably, there is less opportunity for career civil servants to play pivotal roles in agenda setting like Clarke did when the governments they serve undermine the spirit and conventions of the Westminster model.60

The next chapter will continue to explore the history of Saskatchewan’s lottery-funded sectors. However, the focus will move from the origins of the policy to how it evolved into the system it is in 2015. As we will see, the decision to allow the volunteer sector to operate the provincial lottery led to what institutional theorists refer to as a path dependent public policy direction. The positive feedback mechanisms that resulted from this policy experiment, which meant that the likelihood of moving in the same direction would increase over time, will be identified.

2Canada, House of Commons Debates (April 22, 1969), 7806 (T.C. Douglas).
3A.E. Blakeney, letter to author, March 15, 2011. In the same letter, Blakeney wrote, “Incidentally, I still take the same view of state sponsored gambling. I have no recollection of ever buying a lottery ticket issued by a federal or a provincial government in Canada or Sask Sport. I have been to Las Vegas twice and, in order to see how the machines work, I have spent a total of thirty-five cents on their slot machines. I do not expect other people to endorse my position but I have held it with some vigor. It must have been Sunday School.”


MacIntosh and Whitson, *The Game Planners*, 4-5.


Ibid.

For instance, one source noted that in 1947 total receipts for the Saskatoon Hilltops football club were $11,000 with expenses of $10,650. By the early 1970s, the costs of running the team had escalated to between $65,000 and $80,000.” Ned Powers, *The Saskatoon Hilltops: A Canadian Junior Football Legacy* (Regina, SK: Saskatchewan Sports Hall of Fame and Museum, 2006), 100.

Bill Clarke, Interview by Elva Nixon, February 11, 1986.

Bill Clarke, Interview by Ernie Nicholls, October 13, 1977.


Clarke,” 1986.


Clarke, 1986.


Guy Simonis, interview with author, March 3, 2011. Simonis described the Manitoba Sport Federation’s early lottery venture as “an utter disaster” but he said amateur sports had a strong ally in Sports Minister Larry Desjardin who reflected to him at the time, “I know why it’s not working—you don’t have the government behind you.” Desjardin was a former member of the Winnipeg Blue Bombers football team and like Simonis he saw the potential that lotteries could have to raise money for amateur sport. In
January of 1973, Desjardin created a new job in his Ministry for Simonis. As Director of Sport, Simonis’s primary responsibility was to work with Desjardin to convince all four of the western provinces to combine forces to run lotteries collectively.


38Blakeney letter.


40Simonis interview, July 28, 2011.

41Cosgrave and Klassen, Casino State, 10.


48Simonis interview, July 28, 2011.

49Cas Pielak, interview with author, March 4, 2011.

50CS-13.


52Pielak interview.


54SA-3.


56Simonis interview, July 28, 2011.

57Saskatchewan, Debates and Proceedings (29 April 1974), 2729 (A. E. Blakeney, Premier).

58Saskatchewan, Debates and Proceedings (29 April 1974), 2722 (E. L. Tchorzewski, MLA).


On the surface, the Saskatchewan Lottery system appears to be a relatively formal and stable institutional arrangement that has seen little change since it was first developed. Sask Sport continues today, as it began doing in 1974, to: 1) run the provincial lottery as a fundraiser for sport, culture and recreation through an arms-length relationship with government; 2) regularly negotiate with the provincial government changes in the terms of a license to operate the lottery; and 3) rely upon volunteers from the three communities of interest to act as custodians for the lottery proceeds — determining the overall direction and criteria for the granting programs and developing accountability measures. The agreements change slightly from time to time to reflect changing community, government or public policy priorities. License terms are now negotiated every five years instead of annually. However, the amateur sport, culture and recreation sectors continue to be the primary beneficiaries of lottery revenues.

Despite these elements of apparent institutional stability, a careful historical analysis reveals that the funding regime for sport, culture and recreation in Saskatchewan has changed dramatically since 1974. At this time, the provincial government believed this new revenue source should be used for initiatives that would not otherwise be funded from the general taxation system. Lottery revenue was viewed as unstable and financial analysts did not anticipate the type of steady growth the industry would experience. Efforts to provide equitable access to sport, culture and recreation programs would continue to be funded directly by government. Lottery dollars would support the development of high performance athletes. The government would continue to employ
civil servants throughout the province to deliver recreational programs and enhance efforts to increase participation in sport at the community level. Lottery dollars for culture would complement existing programs in the area of arts, heritage and multiculturalism that were funded through general tax revenue.

As revenues from lotteries increased, government devolved responsibility for many of the programs it originally directed and funded through general taxation to the voluntary sector partners. The change is most noticeable within the amateur sport and recreation sectors but certainly some important adjustments have also taken place in the province’s cultural landscape as well. This chapter will use theoretical insights advanced by historical institutionalism scholars to examine the processes and mechanisms that helped sustain key elements of the lottery system in Saskatchewan for so many years as well as to examine how a number of incremental changes led to fundamental transformation in the nature of the collaborative initiative both in terms of power relations and responsibilities of the various partners. The positive feedback processes which are discussed throughout this chapter are summarized in Table 6.1.
## Table 6.1. Positive Feedback Processes and Results

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<th>Positive Feedback Process</th>
<th>Results</th>
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<tr>
<td>Volunteer community built lottery retail network and took initial risks to grow and develop the system</td>
<td>Strong sense of “ownership” of the fundraiser which becomes powerful interest group</td>
</tr>
<tr>
<td>Three broad-based sectors (sport, culture and recreation) brought together by government</td>
<td>Lottery funding impacts wide cross-section of Saskatchewan society</td>
</tr>
<tr>
<td>Granting programs developed and administered by volunteers</td>
<td>Depoliticized system gains supporters across the political spectrum</td>
</tr>
<tr>
<td>Civil servants leading lottery license negotiations had strong personal ties to communities that benefit from lottery funding</td>
<td>System had strong champions within government</td>
</tr>
<tr>
<td>Provincial lottery is administered by the nonprofit sector instead of government</td>
<td>Lower administration costs than if run by government</td>
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This chapter begins with an analysis of why the original formulators of this unique assembly brought these three sectors together and what they hoped to accomplish in the process. Then, the chapter considers what the original goals and objectives of the institutional designers were and how the operational rules were first laid out. What gaps, if any, were there in the original agreement that brought the beneficiary groups together and what consequences arose because of them? Each partner brought their own history and perspective to the arrangement. It is therefore important to take a closer look at the history of each of the major partners in the new joint venture to help explain the internal dynamics and subsequent changes to the collaborative arrangement which would be made over time. What motivated these groups to work together? Were they all equal and willing participants in the arrangement or was it a marriage of convenience? The answers to these questions have a direct bearing on the power dynamics within the lottery system and the subsequent compromises made in order to ensure lottery revenues continued to flow to sport, culture and recreation. Once these questions are answered and the original legislation and regulations are examined, a step-by-step exploration of how the provincial lottery network was developed will be presented.

6.1 PATH DEPENDENCY

The search for a solution to retain revenue from lotteries within Saskatchewan borders through limited involvement by government sparked what Kathleen Thelen refers to as a “moment of institutional innovation”\(^1\) when a policy entrepreneur like Bill Clarke was able to take advantage of the rare opportunity to shape the direction of a new or changing policy area. The solution Clarke and the amateur sport community presented was for the
government to grant the volunteer sport, culture and recreation communities the opportunity to use this new revenue stream as a dependable fundraising tool. This “crucial founding moment of institutional formation,” as Thelen calls it, set in motion a number of positive feedback processes.²

The first mechanism, and perhaps the most important one, was the very nature of the relationship the government established with the volunteer sector in regards to the lottery. No government tax money was to be used to establish the lottery business and no revenue raised in this manner would be directed to programs deemed as essential public services. The 1969 amendments to the Criminal Code of Canada dictated a role for government in the oversight and involvement of government in gambling ventures. Governments, both federal and provincial, were granted the authority “to manage and conduct” gambling games such as lotteries alone or in partnership with other governments. The amendment also allowed provinces to permit community-based nonprofit organizations to conduct “lottery schemes” under provincial license. Amendments to the code that were subsequently made in 1985 gave exclusive control of all forms of gambling to provincial governments.³ The Saskatchewan government could license Sask Sport to be its marketing partner and grant it the right to use funds raised by lotteries for specific purposes. It would always retain the right to revoke or change the terms of the license with Sask Sport.

It was within these parameters that Sask Sport, as the operator of the new business, entered into its relationship with the provincial government. It would be the amateur sport federation’s job to harness the power of the volunteer community to set up a retail distribution system. Sask Sport was charged with marketing the lottery products
and being the voice on behalf of the province around the Western Canada Lottery
Foundation table. They would take all the risks but the amateur sport, culture and
recreation organizations would also be the beneficiaries of their volunteer work and
upfront investments.

John Austin, who helped set up the retail distribution network for lottery tickets in
south-central Saskatchewan during the mid-1970s to early 1980s summed up the feeling
of ownership. There was a strong belief that the retail system belonged to the voluntary
sector. As he stated:

The government may feel that it belongs to them because they have the power to
change it. But who established it? Who built up the system? It was the volunteer
sports, culture, and recreation groups that developed the points of sales and got
the business on its feet.  

Volunteers like Austin paid for lottery tickets upfront, usually with their own
money, because they believed passionately in the causes they were raising money for.
Such individuals would later form the basis of a politically strong lobby group, quick to
make their opposition known during times when later governments were considering
making changes to the system. Because the original beneficiary groups for the lottery was
broadened from just being in the amateur sport community to including organizations
working to grow and strengthen the cultural and recreation sectors, lottery dollars flowed
to a significant portion of the population. As one political leader put it, “[w]ith all the
amateur sports — by the time we added in culture and recreation the lottery system
touched everyone in the province.”  

It was not just that the money from lotteries flowed
to organizations that benefited so many people, but as one civil servant described it: “the
degree of volunteer engagement and ownership in the leadership of the system means that
there are a lot of political reasons not to screw around with the system — because it has defenders in every riding.”

Another feature that made the lottery system more difficult to change once it was in place was that elected leaders could clearly see that volunteers helping to shape the direction of the programs and grants that would be funded through lottery dollars crossed the political spectrum or were non-partisan. Both NDP and Progressive Conservative leaders who were interviewed for this study believe this is one of the strengths of the system and a reason it has been so resilient. One Progressive Conservative Minister in the subsequent Grant Devine government, who had little else good to say about how the New Democratic Party had run the province before his government was elected, praised Blakeney and the NDP for putting in place a system that allowed the voluntary sector to lead and develop an effective and non-partisan mechanism for funding sport, culture and recreation in the province. The alternative, of bringing the lottery within government, held many pitfalls. “MLAs (Members of the Legislative Assembly) try to get what they can for their constituency,” he stressed. “If it was totally in government hands, there’s pressure on MLAs to deliver the goods.” A Minister from the Blakeney administration expressed similar sentiments: “The worst system is any system in which the Minister’s office is directly involved. If you’ve got a bunch of elected people looking at a pot of money the best decisions aren’t going to be made. You’re into partisan politics. Even if decisions are made within the Ministry there’s still the ability for politics to enter into it.”

The lottery system also had strong support for its continuation within the bureaucracy. While Bill Clarke was the leading policy entrepreneur in the system he was
not the only person working within the ministry that felt invested in its future. Those civil servants whose job was to work with many of the community-based organizations that were beneficiaries of lottery funding became fierce champions of the system. Many volunteered their own time outside of work for various sport, culture and recreation organizations and saw their primary role as community developers. They took time to educate their Minister, cabinet and caucus, and other members of central government of the system’s benefits to the point that one former Deputy Minister believed many of the civil servants in the ministry went too far in defending it at times.

That got to be a problem. I would tell them, you’re an instrument of government. Your job is to take the direction from government to the sector not to be their advocates. It’s one thing to ensure that the third party’s position is known to government. Once you’ve done that though, then you don’t keep defending it. 9

One retired civil servant, who was well into his seventies when he was interviewed for this study, exemplified the sense of pride and support many government staff had for the system they helped to develop and support over the years. This former recreation director and sports consultant, whose job was to work with local communities and provincial sport governing bodies on community-based initiatives like coaching and officials certification and program development, said after he was retired he ran for Mayor of his small town and sought out a leadership position with the Saskatchewan Urban Municipalities Association with the specific purpose of having the ear of the political leaders to remind them of the importance of the lottery-funded sport, culture and recreation system. “That’s why I’m in municipal politics right now,” he said. “Because I get to meet on a government to government basis with them. We’re in an upbeat economy right now but if it went the other way, I’m sure the government would take
another look at this bucket of money.” When questioned about whether the system has enough community support that it would be very difficult for any government to make significant changes, he stated: “It just takes one guy that’s sitting over there and going why the hell are we giving all that money to those guys? We could use that to build roads or hospitals or whatever that’s not being served in his community. It could happen that easily.”

This theme, the fear that government could at any time take away the fundraiser, is something that is consistently repeated in interviews with volunteers and staff and people who were involved in the system from all time periods beginning in the mid-seventies to present day. Sask Sport’s general manager, a person who has been with the organization for more than thirty years, stressed that “over the history of it, except for a few down periods, we have been constantly having to defend the fact that this fundraiser rests with the sport, culture and recreation community.”

One Minister who held the lottery portfolio believes that this tension was in many ways a very positive force. This fear that the fundraiser could be taken away from them, she firmly believes, ensured that they never took it for granted. She feels it led to the administrators and volunteers developing a heightened awareness of the need for accountability and transparency and of the need to keep administration costs to a minimum. The strongest argument to keep the system the way it is, according to one senior bureaucrat, is to constantly demonstrate that Sask Sport is far more efficient at running the lottery system than any possible government agency. As she put it: “They [Sask Sport employees] were able to demonstrate to the ministers of the day and successive ministers afterwards, that they had the lowest expense to sales ratio of any of
the three partners in the Western Canada Lottery Corporation.”12 A former Finance Minister from the Blakeney government expressed the belief that only a scandal would be capable of destroying the system because “nobody” really believed “that the government can administer something more cheaply than Sask Sport.”13

6.2 INCREMENTAL CHANGES TO THE LOTTERY SECTOR

While increasing returns and positive feedback of the sort described above led to a sustained investment in a particular policy direction, these path-dependent processes tell only part of the story. Certainly, once the Saskatchewan government made the decision to devolve the development, management and responsibility for running the provincial lottery to the voluntary sector, it was very difficult for any subsequent government to change this policy direction. However, as Mahoney and Thelen point out, institutional stability is not simply a function of positive feedback mechanisms: it is also a result of interpretation and levels of enforcement of institutional rules by interested agents.14

As Thelen contends, it is not unusual for initial boundaries for new institutions like the lottery-funded sport, culture and recreation system in Saskatchewan to be short on detail when they are first designed. “[I]nstitutions and rules are often ambiguous from the beginning, almost by design, as a consequence of the particular (often conflicting) coalition of interests that presides over their founding.”15 Furthermore, with most new institutions, gaps exist from the start or emerge over time between the original objectives and design of the institution and its on-the-ground implementation.16

Establishing a provincial lottery necessitated that the Saskatchewan government pass legislation and regulations to ensure rules set out by the *Criminal Code of Canada*
were complied with. *The Interprovincial Lotteries Act, 1974,* lacked detail and precision, even neglecting to name Sask Sport as the Saskatchewan government’s partner.\(^{17}\) The Act was only three pages in its entirety. Details were spelled out a bit more clearly in regulations but even these are still worded loosely enough to be open for interpretation. There was no mention of any particular public priorities for this money — that would be left to the volunteers within these communities to determine. The unwritten rule, not spelled out in the legislation, which would eventually guide early Trust Fund deliberations, was that lottery money would be used for new initiatives or activities not already being funded by government.\(^{18}\)

While the government’s intention was to maintain an arms-length relationship with Sask Sport and not be seen to be directly involved in operating lotteries or benefiting from gambling revenue, the institutional design allowed the province to maintain some degree of control over how the proceeds would be distributed by providing the ministry with the final say on the list of organizations that would be eligible to receive lottery funds. Clarke believed that this mechanism put the province in the driver’s seat. “What we have done,” he said, “is essentially taken the freedom of choice of Sask Sport from funding anybody off the street because we want to make it a complementary program.”\(^{19}\)

Initially guidelines for eligibility were relatively loose but within a few years Sask Sport, together with advice from the other two lottery-funded sectors, seized the opportunity to tighten the criteria for eligibility. As one Sask Sport employee said, “We wanted it to be easier to deal with the questions from groups who wanted to get lottery money.”\(^{20}\) In consultation with the Ministry, each of the sectors dictated what their specific requirements were. For sport they had to be a provincial body. They had to a
representative organization in five of the seven zones with a certain number of members in each zone. They had to have competitions and be open to all age groups. “Now when we’d get these calls,” she said, “We’d say great—we’ll send you out an application form.” The other benefit to tightening up the rules was that it made it more difficult for the government to make arbitrary decisions that brought political considerations into the process. As this administrator explained, “We wanted to make it so he [the Minister] couldn’t refuse people we wanted, but at the same time, he just couldn’t put on anybody he so chose.”

As Thelen points out, changes in the context in which institutions operate can open up immense space for reinterpretations of the rules by any of the participatory agents that are far from the intent of the original designers. Numerous people interviewed for this study stressed when the lottery arrangement was first implemented no one anticipated the rate at which revenues would increase. During its first year of operation, only $157,000 in grants was distributed. By 1979 that figure had risen to $3.2 million. In its first five years of operation more than $6.6 million had been distributed to sport, culture and recreation organizations. Revenue would increase at an even faster rate when Lotto 6/49 was launched in the summer of 1982 by the Interprovincial Lottery Corporation, an alliance of the five regional/provincial lottery corporations in Canada.

These, and other changes in the political and economic context, opened a number of policy windows. During each time when the window opened, the system was under scrutiny and on every such occasion the partners responded with creative solutions to keep this increasing revenue stream flowing to the sport, culture and recreation sectors instead of being diverted to the general revenue funds of government. None of the
changes were seen as sweeping when they were implemented but over time these smaller, incremental adaptations led to significant conversion of certain institutions within the larger lottery structure. The shifts in the external environment which led the sport, culture, and recreation partners to collaborate to make changes that ultimately expanded and improved the lottery system are summarized in Table 6.2.
Table 6.2. Layering Processes leading to Institutional Conversion

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<th>Layering Process</th>
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<td>Community Grants Program (money now flows directly to the community level, not just to provincial associations).</td>
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<td>Lotto/649 (mid-1980s) leads to even higher revenues and push for government to have more control over this public money</td>
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<td>Election of neo-liberal government in 1982 and fiscal challenges faced by their administration by the mid-80s</td>
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<td>Criticisms by Provincial Auditor of the Minister’s Directed Fund</td>
<td>Government gets rid of the fund – organizations previously funded in this manner now funded through lottery system and the umbrella organizations.</td>
</tr>
<tr>
<td>Identification of unmet needs in Aboriginal communities</td>
<td>Revised legislation and regulations to provide more “policy” levers for sector partners.</td>
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6.2.1 LAYERED CHANGES LEADING TO INSTITUTIONAL CONVERSION

Because revenues were increasing so dramatically in the early 1980s, some people in the provincial government started to question whether all the money from lotteries should continue to flow to sport, culture and recreation or whether it should be directed to other government priorities. Hall suggests the first step in institutional change often involves the assembly of a coalition in favour (or opposition) to change. In this instance the coalition included Sask Sport and its global partners, the Saskatchewan Council of Cultural Organizations and the Saskatchewan Parks and Recreation Association, as well as supporters in the department. All were the original partners in the lottery system and they already had some contact with each other when negotiating the terms of the lottery license with the government. Sask Sport ran the lottery on everyone’s behalf and took the lead (along with direction and support from the department) in ensuring appropriate accountability measures were in place. The reality, however, was that each sector operated relatively autonomously within the larger institutional structure. Each was able to make recommendations to the Minister for groups that should be added or taken from the lottery eligibility list in their respective areas and each made their own decisions on how their percentage of the lottery funding would be directed.

It was when threats to the system were encountered that the partners became a more tightly connected and focused coalition. Each of them understood the benefits to be gained by maintaining or even expanding the existing system. They knew there were still many unmet needs in sport, culture and recreation and could understand the benefits of working together to prove what these unmet needs were, how they could be addressed
with increased lottery dollars, and why it was in everybody’s best interests to move in this direction. The first time the groups really came together to recommend changes to the system was in 1984-1985 — just over ten years after they were brought together through the lottery.

In the latter part of 1984, Sask Sport hired a consultant to conduct a needs assessment. “The study was undertaken in a fairly short period of time but it was pretty extensive,” said the employee who helped oversee the research project on behalf of three global organizations. Information was gathered from regional associations, community associations and provincial organizations about what the needs were at the various levels and what were the best methods of fulfilling those needs. Not surprisingly, needs at the community level were identified as having the greatest priority.25

After extensive consultation and discussions with the partner organizations, the consultant put forward recommendations for the development of a new program which would allow Saskatchewan’s 800 communities, 23 regional recreation associations and eight zone sport councils to get direct funding for the first time.26 An advisory committee for the Trust Initiatives Program (which was later renamed the Community Grants Program) was set up as a sub-committee of the Lottery Trust Fund with volunteers from each of the three organizations making the recommendations in their areas.27

It is unlikely that the development of the community grant program generated additional political support for the government. However, as this civil servant saw it: “The program provided a sense of community benefit and this was communicated back to the MLA’s [Members of the Legislative Assembly].”28 In this individual’s mind, the community grant program, more than any other initiative undertaken because of lottery
dollars, was able to cultivate broad-based political support for the system. He sees the program as a major contributing factor to why Sask Sport and their global partners were able to thwart the movement within some government quarters to try to get lottery revenues into the General Revenue Fund.

The Membership Assistance Program was another initiative developed to funnel lottery dollars directly to the community level — this time specifically for community-based sports initiatives. The program was first introduced in 1985-86 as the “Sport Assistance for Grassroots Initiatives” to assist Provincial Sport Governing Bodies in providing services and finances directly to their membership. The purpose of the Membership Assistance Program (MAP) was to enable provincial sport governing bodies (PSGBs) to allocate funds directly to their respective clubs, leagues, or other affiliated members, to increase the number of participants and the quality of sport development throughout the province.

The creation of the Minister’s Directed Fund in 1985 was another major change that took place. The fund was only in place for five years but its creation helped facilitate a fundamental transformation of the way sport and recreation is delivered in the province. Lottery revenues continued to surpass expectations and even though the creation of the Community Grant Program and the Member Assistance Program helped legitimize and address unmet need at the local level, increased pressure was being wielded by some elected members as well as officials within the finance department that government should have more direct control over at least some of this money.

The system had strong allies within government. This was evidenced by the leading role department officials took in working with the three sectors to develop the
Community Grant Program. These “allies” — the senior bureaucrats in the department — worked with Sask Sport during this period to develop a program which would allow elected leaders more direct input in how a portion of lottery revenues would be spent. The Minister responsible for sport, culture and recreation would have a pool of money to fund initiatives believed to be priorities. Previous to this, only a narrowly prescribed list of groups received funding from the lotteries.

The creation of the Community Grant Program broadened the list of recipient groups eligible for lottery funds. Prior to this, only provincially-based organizations were eligible for funding. This meant that there were still a large number of sport, culture and recreation organizations which were not being funded through the lottery system. As one senior sport administrator explained, this posed a problem almost as soon as the arrangement was entered into.

Just as soon as we got going there was a line-up of people going to government’s door every day. It wasn’t a nefarious thing. It was just — like how do we handle all these people? They’re not an organization with province-wide membership so they don’t qualify for funding from the Lottery Trust fund. The answer became — send them to the department. The department already had a process set up where they were giving out grants — this was just a logical extension of that.31

The lottery partners hoped that by creating this new fund they could avoid full-scale change to the system. The Minister in charge during this period said the idea of having such a fund was presented to him by his officials as a “carrot” to Treasury Board. Financial officials and some members within cabinet thought money from lotteries might be able to address what was starting to look like a serious financial problem. The Minister recalled that there were intense budget deliberations shortly after the 1986 election when the Progressive Conservative government was re-elected. “There was a big program
review that carried right on past the Christmas break into January because the budget had to be put together before spring," he said. “Up until Christmas cabinet was meeting three or four days a week just looking at the financial situation because farm subsidies alone had dug us into a deep hole. Lotteries were one of a myriad of ideas on the table for review.”

Another member of the Sask Sport executive team confirmed that the idea for the fund was a result of department officials and the sport federation working together to come up with a compromise the Minister could present to his cabinet colleagues.

“Creating this special fund was a way to extract a license from the lotteries but at the same time ensure that the money remained directed to sport, culture and recreation,” this employee believes. “If Sask Sport had just paid a license fee there was no guarantee that it would have come back to this sector. It could have gone to health, education — a million places.”

Minister Colin Maxwell said that he had a tough time convincing some people that the existing lottery governance and funding structure should remain intact. “Some of the elected people — and a whole bunch of officials, wanted to take lotteries and put it in with Finance. The Finance department does not believe in dedicated taxes — they don’t sanction making a tax for a specific purpose.” Other people, he said, felt this money could be better spent on programs like health care or education, not understanding, he emphasized, that “if you took all of the money from the lotteries it would be a drop in the ocean. It would be spent overnight.”

Since lottery revenues were continuing to increase at the same time that government spending was outstripping revenue generation, leaders in the sport, culture
and recreation sector thought they had dodged a bullet. Many in the amateur sport world even applauded the government for the arrangement because the government used money from the fund to establish a new high performance sport program. Details of the Saskatchewan First Program, which was intended to prepare Saskatchewan athletes for the 1989 Canada Games to be held in Saskatoon, were unveiled on March 20th, 1986. Funding was made available for coaching development, talent identification, athlete and team training, competitive experiences and sport science. Over a period of four years, $10.4 million in lottery funds were allocated to the 18 provincial sport governing bodies that would be competing at the 1987 Canada Games in Nova Scotia and the 1989 Canada Games in Saskatoon. Members of the Saskatchewan sport community took it as evidence that the program was effective because Saskatchewan moved from its eighth place finish at the Canada Summer Games in 1985, to fourth place when the Games were hosted in Saskatoon in 1989. Team Saskatchewan also took home the Centennial Cup which is awarded to the province which makes the biggest improvement from the previous games.

While there was general agreement that money from this fund were put to good use, officials working in the department during these years referred to this new pool of money as the “Minister’s Slush Fund.” One civil servant said it was quite common to learn that the Minister had gone to a community meeting somewhere and been approached by local people about a program or activity or facility for which they needed money. “The next day,” he said, “we’d be writing a briefing notes to say we’ve got to allocate x number of dollars because [the Minister] had the authority to do that.” An executive assistant who worked in the Minister’s office during this time period confirmed
this, adding that other Members of the Legislature regularly lobbied their office for
money from this fund. “We always dreaded Friday afternoons because the [legislative
assembly] rose at noon and then all these ministers and MLA’s would come into the
office wanting cheques for the weekend to give away.” The minister would have left for
his constituency by this time, this individual remembers, leaving the responsibility of
requisitioning the cheques to his staff to work out with department officials. “There was
no process. I want $3,000 for this rink or I want this for this. It was never big money —
they were token cheques really,” she said. “It was the process that was the problem. The
fund would have caused a problem sooner or later.”38

While the Minister responsible for the lottery system was happy he was able to
demonstrate to his caucus colleagues that the government was able to receive some more
direct political benefit from the lottery system, this new method for distributing a portion
of the lottery funds was not enough to satisfy others in cabinet. The province continued to
struggle with rising debt and one of the biggest budget items was healthcare. The lottery
partners worked hard to emphasize the message that sport, culture and recreation made a
positive contribution to healthcare — doing things like making presentations to the
Saskatchewan Commission for Directions in Health Care in 1989.39 Their key message
was that taking lottery funds from sport, culture and recreation groups, which was
approximately $20 million, would have little to no impact on rising healthcare costs,
while direct investments in sport would help keep down health care costs by encouraging
healthier lifestyles. With a health care budget of $1.3 billion even if all the lottery
proceeds were directed this way there would be little real impact but Saskatchewan
residents would experience a significant loss in their quality of life without the programs and services supported by lottery funds.\textsuperscript{40}

When the provincial budget was delivered in 1989, the lottery partners were completely shocked to see that the provincial government had implemented a ten percent health care tax on lottery tickets. In reflecting on the decision decades later, the Minister responsible for the lottery system shook his head when he thought back to this decision. “I said the people who work in the corporation have seen attempts like this before and sales always went down,” he said. “I remember hearing a customer at a lottery kiosk in one of the malls say, ‘You can’t tax people’s dreams.’” I told my colleagues this. The elected people should have made the decision without listening to idiots in the Department of Finance who had tunnel vision — who if they had gotten their way would have had all revenue — all lottery money go into their big black hole.”\textsuperscript{41}

The new lottery tax led to an immediate, and for some products, dramatic decrease in ticket sales. A negative public reaction was loud and swift and the provincial government got the message. Less than seven months after its introduction, the tax was rescinded. The headline in the government press release read: “Government Looking at Viable Options to Hospital Tax” fell just short of admitting the tax had been a mistake. However, the final line of the release stated: “The government listened and responded to the public voice regarding the hospital tax” on lottery tickets.\textsuperscript{42}

With such negative reaction to any direct attempt by government to move money from the lottery system into the province’s general revenues, a more indirect approach was taken to have some of these funds available for other priorities than sport, culture and recreation. By this time, the provincial government had already reduced or eliminated the
funding it provided to many organizations that were traditionally funded through tax revenues like the Globe Theatre, the Saskatchewan Sports Hall of Fame and the Saskatchewan Express. Each time the government stopped funding organizations like these ones or cut civil servant positions to deliver services such as coaching and officials’ certification, the lottery-funded sectors were expected to take them over.

By end of the fiscal year 1990-91, criticism from Provincial Auditor and advice from senior officials convinced the province to dismantle the Minister’s Directed Fund and have the lottery revenue distributed by the voluntary sector partners. Close to $43.5 million was distributed by the Minister through this “discretionary” fund between 1985 and 1991 for sport, culture and recreation projects or organizations.43

There were never any serious questions raised by government critics about how money from the Minister’s Directed Fund was spent. This was not the case in British Columbia which distributed most of its gaming revenue in a similar manner. Problems with the way lottery funds were administered in BC first drew the attention of the provincial Ombudsman in 1981. The Ombudsman reported that the criteria for the use of lottery funds were not clear or consistently applied and they were poorly publicized. He characterized the administrative procedures as unacceptable and sorely lacking in public accountability because they provided the Provincial Secretary and ministerial staff virtually sole discretion in selecting the grant receiving organizations. The Ombudsman’s words of warning went unheeded initially but ultimately both the Provincial Secretary and the Attorney General in British Columbia were forced to resign over misuse of lottery funds.44
The Saskatchewan government avoided a similar controversy for a number of reasons. First, money directed in this manner was on a much smaller scale than it was in BC, constituting only a small portion of lottery revenues. Second and most important, elected officials were much quicker than their counterparts in British Columbia to heed the warnings of civil servants and government watchdogs about the potential for problems with this fund. No one, including the most senior government official who counselled the government to do away with the fund as part of the lottery license negotiations, or the Opposition lottery critic, took issue with the projects which were funded this way. On the contrary, both of them, as well as other civil servants who were interviewed, believed that money from this fund was used to support many worthwhile projects.45

The Progressive Conservative administration was nearing the end of its mandate in the early 1990s when the decision was made to eliminate the Minister’s Directed Fund. Grants that had previously been distributed by the Minister would now be administered through the Lottery Trust Fund which was led by the volunteer sector. From this point forward, a license fee would be regularly negotiated with the government and this revenue would flow to the province’s general revenue fund.46

A change in government in 1991 and consequent budget reductions put significant pressure on the funding for the sport, culture and recreation sectors. The new NDP government’s message was simple — the province was nearly bankrupt and major cuts to government services and departments were essential. The findings of the Saskatchewan Financial Management Review Commission (the Gass Report), reported that the province had accumulated a debt of $12.704 billion and that the accumulated deficit was $8.697
billion. The Gass Report recommended that all lottery revenue be transferred to the province’s general revenue fund and that annual appropriations then be approved by the Legislature for distribution to the sport, culture and recreation sectors.47

“The situation was dire,” recalled Pat Stellak, Sask Sport’s volunteer president. “We had to get the groups to act — to get them to say that they were dependent on this money and to show how they spent the money — that it went down to the grassroots. So we sent out letters. We got on the phone. It wasn’t Sask Sport ...talking. It was people at the entry level speaking. We needed the government to know that it was the volunteers who had their ears to the ground. It was the volunteers that knew what programming was needed at the local level.” In a letter sent to the Minister, the Presidents of the three umbrella organizations stated that their members were not interested in fundraising for the provincial government. They stated:

The only way funds can be removed from the Consolidated Fund is by appropriation by the Legislature. This fundamental change in the handling of lottery money is viewed by our members as the end of volunteer organizations using the lottery as a fundraiser to assist in providing their programs. Monies received from the Consolidated Fund, even if they are generated by the lottery, will merely be viewed as government handouts causing the pride, dedication and ownership the volunteers feel, to disappear.48

One senior civil servant in the department during this period characterized this as the “mother of all battles.” From his perspective, if Sask Sport and their global partners lost this argument, they would be little more than “a contract administrator for the government.” He credits the leadership at Sask Sport for recognizing that they needed to find a way to work more effectively with the department. Only by working together, he said, would they be able to come up with a strategy to demonstrate why it was in the
government’s best interest to keep the lottery system as it was — controlled and managed by the volunteer sector.\textsuperscript{49}

It was out of these discussions that the Lottery Strategic Review Committee was born. A formal invitation was sent by Minister Carol Carson in the spring of 1993 to Sask Sport, SPRA and the Saskatchewan Council of Cultural Organizations (Sask Culture’s predecessor) asking them to work with the department to address a series of short and long term issues related to the lotteries. Short term recommendations were to be developed to deal with changes to the \textit{Interprovincial Lotteries Act} and regulations to clarify the roles of the government and voluntary stakeholders relative to the lotteries. This would signal to Treasury Board and other critics of the system that the proper legislative and financial accountability measures were in place. A working group was set up with representatives from the three umbrella organizations and the Department to develop a long term plan for the provincial sport, culture and recreation sector. It was a busy summer for the Interagency Committee because the Minister expected to see an interim report by mid-September, with the final report completed by the end of October.\textsuperscript{50}

As the civil servant charged with leading the writing process for the report explained, his department and the three umbrella organizations worked together on this report. “Together we ended up with a revised regulatory framework and a revised lottery agreement.” The new lottery agreement, he believes, was a much different looking document than it had been in the past. “Not only did it have a fiscal side to it [the amount of the license fee and the length of the agreement] but it had a policy side to it.”\textsuperscript{51} In the eyes of Sask Sport’s general manager, “the Lottery Strategic Review Committee was a
perfect example of the good work that can be accomplished when volunteers and
government work in true collaboration to shape public policy.” The key message that
flowed from this report was the recognition that not all people in the province were
participating in sport, culture and recreation — a serious issue that by this time Sask
Sport was already working hard to address. These programs will be described in greater
detail in Chapter Eight.

The decision by government to have a less direct role in coordinating sport,
culture and recreation programming meant that a number of the institutional structures set
up by the province in the late 1960s and early 1970s were in need of revamping. The
government had created twenty-three regional recreational associations to deliver
programs throughout the province. Funding responsibility for these organizations was
permanently transferred from the government of Saskatchewan to the Saskatchewan
Lotteries Trust Fund in 1982. Eight zone sport councils had been established in 1972 to
support the Saskatchewan Games Program. At the time, the existing regional services
boundaries of the former Department of Culture and Youth were used for the program,
with two or three rural regions comprising a zone and the cities of Saskatoon and Regina
forming their own zone sports councils. The number grew to nine in 2003 with the
formation of a new zone in northern Saskatchewan. Funding responsibility for the zone
sport councils was transferred to the Lotteries Trust Fund in 1991.52

As one former civil servant noted, “[w]e had all these structures out there that
were getting lottery funding. Some of them had part-time staff; some didn’t. The
volunteers were doing a good job — trying their best but the structures to support them
were not particularly effective anymore.” The question became, “Could programs and
services be provided in a more efficient manner?" Residents in northern Saskatchewan and the southeast part of the province initiated a major reformulation of the way sport, culture and recreation services could be delivered in 2002 and 2003.

A former employee in the southeast said that the zone sports council and the regional recreation associations had collaborated for several years, often facing similar challenges and overlapping mandates. Volunteers had to be found for four separate boards as well as full or part-time staff.

The basis of our discussion was administration. We were trying to develop these four boards, their policies, and their funding guidelines. All sorts of things were similar and there was overlapping work. We thought administratively we could become more efficient and save money and time. The main idea was not to bring in less money from our grant programs, but to use that money more effectively.

Out of these discussions came the idea for the three regional recreation associations and the Zone Sport Council to approach the Lottery Trust Fund with the idea of funding a pilot project in which they would submit a single application and the groups would work on a collaborative basis to ensure the funds were used in the most cost-effective means possible. This led to the formation of the Southeast Saskatchewan Association for Culture, Recreation and Sport Inc. The pilot project was deemed a success after demonstrating promising signs of the benefits and advantages which could be achieved by offering an integrated structure for sport, culture and recreation services. The new organization was added to the Minister’s Eligibility List for funding from Saskatchewan Lotteries and the original four groups were removed.

This positive experience, along with the decision by the province to eliminate most of its regional staff, convinced Sask Sport, SPRA and SaskCulture to work together on a new delivery system. Consultants were hired by the three global organizations to
meet with volunteers and staff involved in delivering sport, culture and recreation programs about options for restructuring the regional and zone delivery system that might better meet their current and future needs and draft a report based on what they learned.  

The consultation process for the *Building Better Communities* initiative led to the development of a discussion paper that outlined possible structural changes to the region and zone delivery system. The discussion paper was released in April of 2005 and further consultations took place until June of that year. The final report contained a number of recommendations but the most important called for the nine zone sport councils and 23 regional recreation associations to merge into nine new and separate district organizations. The first district to officially form under the new program was the Northern District for Sport, Culture and Recreation, established in August of 2006. By February 2009, all nine Districts were in place.  

Employees working for the three global organizations admitted that there were many issues to be resolved and that some people embraced change easier than others. Today, communities continue to adjust to the changes and there are mixed reviews about some of the challenges that remain in delivering sport, culture and recreation programs at the community level. “Initially there was a lot of turf protection,” said one cultural sector manager. “Some of the regions and the zones had money in the bank and they were unsure how their assets would be protected if they merged with each other. There was a lot of mediation and negotiation that went on.”  

A person who has worked in the recreation field in a number of areas of the province believes the changes were very positive for the district he lives in. He said:  

We [used to have] a number of inefficient organizations. They were lottery-funded but they weren’t functioning very well. We had some really strong
people who didn’t want to sit on these boards that were not functioning but once we made this transition all of a sudden some really good people stepped up and we formed an excellent team. Now, we’ve got a strong and efficient organization … The district has an Executive Director and some recreation professionals ….We serve our communities better.60

Even with the perceived efficiencies and improvements that a number of people felt had or would in the future be achieved through the Building Better Communities process, the Saskatchewan Parks and Recreation Association believed a gap still existed in rural areas. In 2011 the decision was made to hire field staff in six areas of the province that would be filled by former recreation directors or people who had experience in leisure programming. These individuals would be familiar with the communities they would be serving — just like the former provincial employees who occupied similar positions in the past.61 One of SPRA’s field staff explained that when the government employees left rural Saskatchewan there was a real void. “At first we tried to do everything from Regina,” he said. “We could only get away maybe twice a year so people would say, ‘here’s this guy from Regina dropping in again to tell us what we’re doing wrong. We realized from an organizational point of view we needed to provide support to our members and the bulk of our members are the communities, across the province.”62

One of the first things SPRA did when they hired their field staff was to convene a meeting with a number of the former civil servants who had done sport, culture and recreation programming in the province’s regional offices. “A few of us have been in municipal recreation long enough that we actually worked with those people when they were still the consultants for the government. Before 2005 they would come out to communities and lend a hand when we needed them.”63 Even those who in their previous
lives had limited or no contact with the former government workers said the meeting with these individuals was valuable. “We wanted to know the history and understand what they did, what they accomplished, how they did their jobs, all that kind of stuff,” said one of the SPRA employees. “It was amazing, the similarities between what they were doing or what they did 30-some years ago and what we are trying to accomplish now.”

6.3 CONCLUSION

This chapter, together with the previous one that discussed why Saskatchewan took a different path with their lottery than other provinces, highlights the importance of incorporating history into the study and analysis of public policy. As historian Raymond Blake reminds us, social policy making is a complex process that emanates from a variety of forces. He emphasizes that few public policy decisions are ever the result of a single interest group and hardly ever emanate from a single policy. As we saw in this chapter, the NDP under Allan Blakeney may have introduced the lottery system in Saskatchewan, but the funding regime for sport, culture and recreation as it exists today, was shaped by a number of different factors.

The origin of this funding model predates the introduction of the lottery. It was the provincial Liberal government during the 1960s that placed civil servants in rural Saskatchewan to assist communities in building their volunteer capacity and enhancing recreational opportunities. Ross Thatcher’s Liberals made these investments during an era when the welfare state was expanding. It was one of these civil servants that championed a different approach to lotteries, not an enlightened government able to foresee the results and implications of their decision. No one, including the policy
entrepreneur that championed the idea of the amateur sport federation running the provincial lottery, envisioned the roles Sask Sport, SaskCulture and SPRA would eventually play in their respective sectors.

The lottery-funded sectors faced the greatest changes to their funding system between 1985 and 1993. This was an era of fiscal constraint not just in Saskatchewan, but across Canada. Similar to other social policy areas, like unemployment insurance, changes made in the 1980s and 1990s were made in the context of general expenditure reductions. The Progressive Conservative government during these years also shared similar perspectives on the role of the state as other neo-liberal forces did. As critics of the welfare state, Liberal members of the legislature who approved many of the changes during these years were in favour of a smaller state and a wider consequent scope for the voluntary sector and individuals to develop and deliver community services.66

As evidenced in this chapter, the close connection civil servants had with the sectors funded by the provincial lottery made them strong champions for the system. During times when central government considered making changes, this support was especially important. These internal allies were one of several positive feedback processes which were built into the system. Other path dependent processes included the efficiencies that came from voluntary sector delivery of public services; the strong sense of “ownership” that was created among recipient groups that led to the development of a powerful interest group; and the efforts to depoliticize the system.

Findings from this case study contribute to the theoretical debate on institutional change. Empirical support is provided to show how the forces of path dependency and institutional conversion can mutually interplay with each other. In this sense, institutions
can be both determinants of behavior (path dependency) as well as results of action by motivated actors (institutional conversion). The analysis also demonstrates the common ground between rational choice and historical institutionalism. A strong foundation was paved in 1974 when the Saskatchewan government chose a different policy approach with its provincial lottery. This chapter showed how advocates for sport, culture and recreation (both in the voluntary sector and within government) worked together to strengthen positive feedback loops. We also saw how these same actors came up with creative solutions to respond to challenges and opportunities. Over time, this resulted in successive governments granting their voluntary sector partners more decision-making powers for policy development and funding decisions.

The next chapter continues the historical examination of the lottery system, focussing more closely on the cultural sector and challenges it posed to the lottery system. The story of how the more diverse and fractious set of communities within the cultural sector were brought together and became champions of the lottery system will be documented.

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4John Austin, interview with the author, April 26, 2012.
5PL-2.
6CS-10.
7PL-2.
8PL-4.
9CS-7.
10CS-13.
11PL-5.
12CS-11.
13PL-1.
15Kathleen Thelen, "Institutional Change in Advanced Political Economies," British Journal of Industrial Relations 47, no. 3 (2009), 491.
16As cited by Thelen, "Institutional Change in Advanced Political Economies,” 491.
17The Interprovincial Lotteries Act, Saskatchewan Legislative Assembly, ch.50 (1973-74).
18Bill Clarke, Interview by Ernie Nicholls, October 13, 1977 and CS-17.
19Clarke, interview by Nicholls.
20SA-16.
21Thelen, "Institutional Change in Advanced Political Economies,” 491-492.
28CS-11.
31SA-1.
32PL-2.
33SA-2.
35From Pigskins to Publicity: An Interview with Steve Mazurak, Communications Coordinator, Sask First,” Excell 1, no. 1 (June 1987), 12.
37SA-14.
38SV-22.
39President’s Column,” Recreation Saskatchewan (Regina, SK: Saskatchewan Parks and Recreation Association, March 1998), 1.
41PL-2.
45CS-7 and PL-6.
48 Pat Stellek, President of Sask Sport Inc., Ron Robertson, President of Saskatchewan Council of Cultural Organizations and Dave Wudrick, President of Saskatchewan Parks and Recreation Associations, Letter to Minister Carol Teichrob (2 March 1992), Sask Sport Archives.

49 CS-11.


51 CS-6.

52 Rediger, Recreation and Parks, 144.

53 CS-6.

54 CRA-9.

55 As cited by Rediger, Recreation and Parks, 115.


57 CRA-9.

58 Rediger, Recreation and Parks, 145.

59 CRA-10.

60 CRA-20.


62 CRA-8.

63 CRA-24.

64 CRA-23.


The previous chapter considered how the Blakeney government’s decision to experiment with a new model for running the provincial lottery and for funding sport, culture and recreation set in place a number of positive feedback mechanisms that made it difficult for subsequent administrations to dismantle the system. It would be misleading, however, to leave the impression that once this policy direction was set in motion an inevitable path was followed. This was no simple fundraiser. It required setting up a retail system throughout the province and coordinating volunteer sales forces that would receive commissions from lottery sales. No public funds were provided to defray the start-up costs. Volunteers had to be convinced to risk their own money to purchase tickets from the Western Canada Lottery. Although it was the lead party in the arrangement, Sask Sport was almost completely reliant on the good will of the volunteer community. There was very little to bind organizations together under its umbrella other than the promise that if they worked together and the lottery was a success, they might raise money for sport programming.

The amateur sport federation had to prove to the government and its members that it was capable of establishing and efficiently operating a major business venture. Just as daunting as running the lottery, was the stipulation the government placed on Sask Sport that it had to partner with the culture and recreation sectors. This requirement would ultimately serve the system well because it broadened the scope of communities that would become its champions. However, it meant more hard work for the early sport
federation leaders. It was difficult enough building their own organization and establishing the infrastructure and processes to fund their members. Now they had to earn the trust and learn how to collaborate with other parties. For its efforts, Sask Sport would receive fifty percent of lottery revenues. Forty percent would be directed to cultural organizations and ten percent would go to recreation.

Each partner in the lottery system is a distinct entity with its own history, internal dynamics and corporate culture. As we saw in chapter four, the provincial government put considerable resources into the recreation sector in the mid to late 1960s. Regional offices were established throughout the province and staffed with civil servants who worked with communities to build up their recreational capacity. Provincial civil servants also played a hand in establishing the Saskatchewan Recreation Association in 1961. This organization was renamed the Saskatchewan Parks and Recreation Association in 1967 to acknowledge the important role that parks play in the recreation field. The provincial government took similar steps to help organize the amateur sport sector, playing a key role in working with the community to set up provincial sport governing bodies so they could participate in national sporting events like the Canada Games. The government also helped convince provincial sports organizations to establish Sask Sport as a central voice of amateur sport in the province.

In contrast to the sports sector, it was much more challenging to create a single point of contact and strong collective identity within the cultural sector. This was partly due to the broad range of interests considered to fall under the cultural milieu and also because of the pre-existence of the Saskatchewan Arts Board — a publicly funded agency that supports the arts through an arms-length relationship with government. When
it was founded in 1948, the Saskatchewan Arts Board was the first organization of its kind in North America, one of the many innovative policy initiatives of the CCF government led by Tommy Douglas. The Arts Board launched a number of programs to make the arts available to people across Saskatchewan and foster the development of community arts organizations. By the mid-1960s a variety of local councils and art organizations were established and had begun to develop their own programming. By 1968, the Arts Board also had a unique Permanent Collection, the School of the Arts at Fort Sann and consulting services and grant programs.

The decision to direct a portion of lottery profits to the cultural sector through a new administrative structure overseen by the amateur sport federation was met with scepticism from some people within the arts community. Cultural leaders questioned why any new money for the arts should flow through a sports organization instead of the Arts Board. The Arts Board already had established infrastructure for dispersing grants and was a well-respected entity. Matters were made more complicated by the fact that some members of the province’s artistic community had more reservations about accepting money from gambling than their counterparts in the sport and recreation sectors. The words of this cultural volunteer are typical of how others who shared their insight for this study recall the way their community responded to the introduction of the provincial lottery.

The professional community was adamant that they didn’t want gambling money. They felt that they wanted stable funding from government rather than taking a chance that gambling money wouldn’t work out. They thought that money for the arts should come from the heart of government rather than from the fringe or when they’ve got extra money coming in that they didn’t know what to do with. So, the professional community decided that they’d stay with government and the amateur groups would get revenue from lotteries.
7.1 ORGANIZING THE CULTURAL SECTOR

When the lottery agreement was signed, there was no umbrella organization representing the broader cultural community. It was left to Sask Sport to determine accountability measures that garnered support from a community they knew little about. The sports federation appointed the members to the cultural committee of the Lottery Trust Fund, something they did reluctantly because they recognized that this was not their area of expertise. They turned to civil servants in the Department of Culture and Youth to help find appropriate volunteers and employed someone to provide administrative support to the cultural committee. However, Sask Sport understood the benefits of having an organization similar to theirs to represent the interests of the cultural sector. As one long-serving sport employee said:

Sask Sport was doing its best but the reality was that we were sports people—the sports federation was in charge of handing out grants to the cultural world. ... We appointed some great people to the Trust Committee that awarded the grants—folks who were just as dedicated and hard working as our sports volunteers were. But, I always thought it would be better if they had their own organization making these kinds of decisions.5

A cultural volunteer described the tension during this period. “The cultural guys had no [organization to represent their collective interests] and there were all these voices out there — some of which thought they were more important,” he said. “Sask Sport, together with the department, determined that lottery funding was best geared to provincial associations. The question became — well which cultural organizations should be recognized?”6 As this volunteer noted, about seventy-five percent of the groups were obvious, such as the Saskatchewan Writers Guild, the Saskatchewan Craft Council, the Organization of Saskatchewan Arts Councils, the Saskatchewan Multicultural Council and the Saskatchewan Museums Associations. “The problem came from the groups on
the periphery because everyone wanted to be part of the matter because of the amount of money that came to be available through the lotteries.”

Representatives appointed to the cultural committee of the Lottery Trust Fund became concerned about potential governance problems. They believed not having an accountability structure rooted in a larger membership was cause for concern. As this committee member put it: “The fairness of that kind of a situation becomes questionable. It becomes more of — can I get on that committee and can I make some decisions that are going to affect my interests in the process.”

7.1.1 THE CREATION OF THE SASKATCHEWAN COUNCIL OF CULTURAL ORGANIZATIONS

Lottery funding strengthened arts organizations dedicated to community participation and arts education, as well as service organizations such as the Saskatchewan Writers Guild. For many years, however, the new funding stream posed an ongoing challenge to the development of a unified policy and leadership for the arts. Since lottery money was available for activities that had formerly been the responsibility of the Arts Board, the focus and mandate of that agency was forced to change to pay greater attention to the growing needs of practicing artists and professional arts organizations. As lottery revenues increased and more money was placed into community-based art, the government was challenged to increase support to the Arts Board. Tensions and divisions which had always existed between “professional” artists who were trying to make their living from artistic endeavours and “amateurs,” as well as individuals whose primary goal was to promote the arts to a broader community or participate in art forms as recreation, intensified.
In 1978, due to a substantial increase in lottery revenue, volunteers sitting on the cultural committee of the Lottery Trust Fund made the decision to create a priority system for lottery funding. This opened the fund for the first time to professional arts organizations. Provincial cultural organizations were Priority I; funds to support community extension activities by professional arts organizations were Priority II; and Priority III was meant for specialized equipment for cultural programming. Creating such categories foreshadowed the future when funding shortfalls would necessitate cutting back money to professional arts groups that were already funded by the Saskatchewan Arts Board.10

Professional arts organizations that were now receiving a portion of the lottery profits began to lobby that these funds flow through the Saskatchewan Arts Board instead of being adjudicated by a committee of the Lottery Trust Fund. Sport leaders feared if lottery money for the arts was directed to the province’s general revenue fund as the mechanism for funding the Arts Board, the government would eventually use the same process for all lottery recipients. They were successful in convincing provincial cultural organizations (PCOs) of the benefit of the voluntary sector retaining control over how lottery revenues were directed. The best way to ensure this was to get organized.11 An executive director for a PCO recalled that: “It was Sask Sport that told us — ‘you have to get your act together.’ We had no one to collectively speak for us and if we wanted to keep our share of the Lottery Trust Fund we had to have a strong voice. They pushed us, for our own good.”12 The result was the formation of the Saskatchewan Council of Cultural Organizations (SCCO) in 1980, a member-based association that would represent cultural interests during lottery negotiations and appoint representatives to the
Cultural Committee of the Lottery Trust Fund. SCCO volunteers would establish funding policies, adjudicate granting requests and review follow-up reports.\textsuperscript{13}

It was during the period that the lottery-funded organizations were discussing the merits of forming SCCO that the province established a Cultural Policy Secretariat led by Dr. Gordon Vichert to conduct a policy review. Vichert was a Professor of English Literature at McMaster University. He left academia to become a candidate and administrator for the Ontario New Democratic Party. In the early 1970s he moved to Saskatchewan to work as a special assistant and speech writer for Premier Allan Blakeney.\textsuperscript{14}

The conclusion reached in the Vichert report was that “[t]he administration of the arts in Saskatchewan [was] marked by a confusion of worthy causes” and that the field was “overcrowded.” Three agencies were giving grants — the government through the Department of Culture and Youth, the Saskatchewan Arts Board and the Lotteries Trust Fund (at that time known as the Sask Sport Trust). The Interagency Coordinating Committee existed to sort out jurisdictional problems but the authors of the report perceived that this committee dealt with so many areas that its decisions were “almost theological in their complexity.” The cultural division of the Lottery Trust was depicted as a “step-child of a sports organization” and the Trust was said to have “laboured to find a role for itself different from that of the Arts Board or the Department of Culture and Youth.”\textsuperscript{15}

In general, the Arts Board was to look after the professional arts, the Department took care of the amateurs and the Lottery Trust paid for special projects. These were considered general guidelines though so there were many anomalies and exceptions. This
meant that skillful applicants were able to play one agency off against the other. As lottery funding increased and funding for the Arts Board and the Department decreased, the conclusion was made by many people in the professional arts community that there was a distortion of priorities. While many PCOs were benefiting from dependable core funding from the lotteries, professional arts organizations like the theatres and symphonies were not. The report suggested that lottery funding for the arts should cease to flow through Sask Sport and be directed to the Arts Board to adjudicate.\(^\text{16}\)

Problems in the professional arts communities became dire in 1982. On the eve of a provincial election call, SCCO made the decision to suspend funding to professional organizations because lottery revenues were on a decline. Sask Sport officials recalled being hastily summoned to a meeting at the legislature by senior political staff with the NDP government where they were chastised for this decision.\(^\text{17}\) All of the major theatres, symphonies and art galleries in the province were affected. This meant that professional arts organizations became clients solely of the Saskatchewan Arts Board while SCCO continued to define its role as a global organization for volunteer provincial groups representing three broad categories: the arts, multiculturalism and heritage.\(^\text{18}\)

An ad-hoc committee of thirteen arts organizations was hastily formed to protest these cuts and to try to negotiate a settlement with the Minister of Finance, the deputy ministers to the Premier and Minister of Finance and the Assistant Cabinet Secretary. Ed Tchorzewski, the soon-to-be outgoing political leader and senior government officials, agreed to replace the shortfall of funds caused by the Lottery Trust Fund’s decision and to guarantee stable funding through the Saskatchewan Arts Board for the programs which had previously been funded through the lotteries. Knowing there was likely to be a
change in government, the arts lobby brought their grievances to opposition candidates, who indicated that they supported their position and would work towards similar policies if their party was elected.  

The Progressive Conservative party led by Grant Devine formed a new government on May 8, 1982. The friction between the lottery-funded arts organizations and the professional arts groups that were relying strictly on the Saskatchewan Arts Board for funding continued to intensify while the government focused on other public priorities. The arts lobby group shed its ad hoc status, evolving into a registered nonprofit organization called the Saskatchewan Arts Alliance in 1984. In its second term of office, the Devine administration turned its attention more closely to the problems in the arts community. In 1987 some of the funding formerly provided by the Lottery Trust Fund was re-directed to the professional arts community through the Minister’s Directed Fund. The government promised the Saskatchewan Arts Board an additional million dollars to help meet the shortfall in revenue it had experienced in previous years. Although the arts community was happy with the promise, it was unprepared for the announcement that a number of employees of the Saskatchewan Arts Board would be transferred to the Department of Parks, Recreation and Culture. Department officials believed this decision would lead to efficiencies that would not jeopardize the arm’s length principle of arts funding. 

The Chair of the Arts Board outlined the problems her organization had with the proposed changes in a letter sent to the Minister.

The Board has considered your letter dated July 21, 1987 at great length and with considerable concern. The Board concludes that the government’s unilateral proposal to absorb the Board’s administrative staff into the Department of Parks, Recreation and Culture is unacceptable. The proposal
contravenes the Arts Board Amendment Act, 1984 and violates the autonomous manner in which the Board fulfills its statutory mandate – so often encompassed by the phrase “arms length” ... Mr. Minister, we are convinced that you have not been faithfully and fully informed of this Board’s position by your senior department officials and advisors.  

The government received phone calls, petitions and letters of complaint from all corners of the province and a wide variety of cultural sectors. Support for the Arts Board even came from well-known cultural figures like operatic contralto and head of the Canada Council, Maureen Forrester, and Saskatchewan writers like Lorna Crozier who had made their mark on the national stage. Forrester emphasized to the Premier that the Saskatchewan Arts Board was the oldest arm’s length arts council at the provincial or federal level in Canada and as such had been a model for the development of other arts councils in the country, including the Canada Council. She expressed her doubt that the arm’s length principle of arts funding could remain intact if the Arts Board staff reported directly to the Minister. “I believe the Board will find it impossible to develop policy, and expect policy to be realized, if it has no staff,” she wrote. “The staff, who will report to and be accountable to the Minister and the department, are likely to find it extremely difficult to act as impartial advisors to the Board. The fact that their duties will expand to encompass those of the department, particularly amateur artistic activity, may dilute—and possibly compromise—their responsibility to the professional arts community.”

In the letter she wrote to the Minister, Lorna Crozier said that she had often been asked by interviewers like long-time CBC radio host Peter Gzowski why Saskatchewan literature was so rich and varied. She noted the quality of Saskatchewan literature owed much to the support of the Saskatchewan Arts Board. Like Forrester and so many others who wrote to the government to protest the proposed changes, Crozier stressed that the
arms-length principle of the Arts Board was essential. “It is a principle which protects not only the artist from political interference but also the government from charges of using political criteria in the dissemination of arts funds.”

Numerous other letters to members of the legislature, cabinet ministers, the Premier, and opposition leaders stressed the same points. The cultural community was furious about these proposed changes and was not about to back down. By early August the Minister reversed this decision, for which he received accolades from the Arts Board and members of the cultural community. The Vice-Chairman of the Arts Board wrote:

As a member of the arts community and as a member of the Saskatchewan Arts Board, I wish to express my gratitude, fullest appreciation and congratulations to you on your recent decision and subsequent actions in both stabilizing the funding crisis through a most generous provision of funds and in reaffirming the autonomy of the Arts Board through your full support of the arms-length principle.

Shortly after this decision was reversed, the Deputy Minister, Bill Clarke, was shuffled to a new department. This was the same individual who had played such an important role in the establishment of the lottery system. Clarke served as Deputy from May of 1982 to October of 1987. The Minister was not willing to go on the record as to the reason why Clarke was moved, but people in the arts community were convinced he lost his job because of the controversy with the Arts Board that occurred under his direction. After this debacle, the government acknowledged the issues of instability within the cultural sector and requested that the Arts Board develop a three-year plan to stabilize the arts community. Following this review, the province established the Saskatchewan Arts Strategy Task Force. Consultations with key stakeholders and public hearings in thirteen locations across the province were held in 1989. The Task Force report returned to the idea of the Arts Board becoming the province’s single arts agency,
providing a unified focus for the development of arts policy and funding. Most organizations presenting briefs believed it was inefficient to have two organizations providing public funding to the cultural sector that were so independent of one another. The conclusion was drawn that the current structures had led to segregation, competition, administrative duplication within the arts community and a crisis within the professional sector. The Task Force also recommended the lottery license be amended to allocate 50 percent for the arts and culture and 50 percent to sport and recreation. \(^{30}\)

Responding to the concerns raised by the Arts Task Force was not high on the government’s priority list during this period. The government was facing increased public scrutiny over a number of controversial decisions and scandals and polls signalled winning a third term of office was unlikely. The debt burden was mounting and drastic cuts were made to programs across government, not just to sport, culture and recreation. In 1991 the Devine government disbanded the Department of Culture, Multiculturalism and Recreation and disbursed its functions to the Saskatchewan Family Foundation, Saskatchewan Community Services and Saskatchewan Economic Diversification and Trade. The rationale was that this would create a smaller, simpler form of government that was easier to access and less costly to operate. \(^{31}\) These actions were in keeping with the neo-liberal tactics and rhetoric during this period coming from the federal government and countries like Great Britain. Cuts to agencies were justified as a way to decrease the size of inefficient government bureaucracies and respond to spiralling deficits and fiscal difficulties. Providing community organizations with more autonomy and less government oversight was heralded as a way to increase volunteerism and local control. \(^{32}\)
Beginning April 1, 1991 any remaining programs previously funded through tax-based dollars for these sectors would be transferred to the lotteries. In a statement to the media Beattie Martin, the Minister responsible for the Family Foundation said, “It is time for the government to move away from direct program delivery and grants in these areas. We want to give the full measure of responsibility and decision-making to the people most involved.” The Minister spoke about the tough economic times the province was facing but indicated that the lottery partners had assured him that the reduction to sport, culture and recreation was manageable. It was something they were willing to accept because the organization would have the opportunity to set their own priorities and make their own decisions on where any reductions would be made.

The lottery partners put on a brave face about these changes, publicly applauding the government for their decision to exit the granting business and transferring responsibility for sport, culture and recreation to the voluntary sector. In a newsletter sent to members of the province’s cultural community a couple of months later SCCO’s general manager wrote: “The change means that the people who created the system and who are responsible for the income will have control over how it is used.” He also noted that funding tied to lottery sales, was more stable than grants from government that had to be voted on every year through the budgetary process.

Members of the affected communities rejected at least part of the government’s justification for the cuts. As one volunteer sport council chairperson declared: “We do not disagree that by turning lottery dollars over the volunteer based sport, recreation and cultural organizations will ensure a fairer distribution system. We do however object
strongly to the Government removing itself from all responsibility, particularly involving funding, in the recreation and leisure delivery system.\textsuperscript{35}

Many of the letters from concerned citizens to government representatives specifically took issue with the loss of the regional consultants, emphasizing that these government employees played an essential role in providing support to already overtaxed volunteers. One person closed her letter to the Premier by writing: “Cutting them is like cutting the throats of the regional associations. This simile may seem extreme from where you sit, but it hits the jugular of small town Saskatchewan.”\textsuperscript{36} The loss of government employees in rural Saskatchewan had more of an impact for the sport and recreation sectors. However, the increased responsibilities for the cultural sector that were placed on the Lottery Trust Fund from the inheritance of programs that used to be funded by government were particularly difficult for the cultural sector.

The head of SCCO at the time now believes the arts community owes a great deal to the sport federation for helping it pull through this difficult period. He was convinced many people in the cultural community had no idea how supportive Sask Sport was of their interests. He said that sport federation leaders fully understood that the cultural community had been the biggest victim of government cutbacks and they were willing to adjust the lottery formula so that a larger percentage went to culture. The SCCO leader said: “Sask Sport was very quick to understand that to keep the partnership strong they would need to make adjustments within the funding breakdown. He recalled the meeting he had with the General Manager of Sask Sport when he said: “I’ve got to go back now and get the crap beaten out of me by my board.”\textsuperscript{37}
Together, the leaders of Sask Sport, SCCO and SPRA came up with a new formula for distributing funds which they presented to the province as part of the regular lottery license negotiations. Lottery funds would now be distributed on the basis of 45 percent for sport, 45 percent for culture and 10 percent for recreation.\textsuperscript{38} Traditional lottery recipients, the provincial cultural organizations, also agreed to a ten percent reduction in funding so that groups that used to rely on government funding such as the Globe Theatre would maintain their level of income and because professional arts organizations had already been severely impacted from cuts in the years preceding these changes.\textsuperscript{39} The SCCO leader said:

> Basically, we asked ourselves the question, what’s the longer-term view? The provincial organizations and SCCO, we could get by with a reduction in the short and medium term but if we started cutting away at the Arts Board or the Western Development Museum, which were already terribly under-resourced, they’d end up closing. We were told by the Minister and the Deputy. You guys do what you have to do. If you have to cut the Arts Board by 25 percent to make this work, that’s up to you. So not only did we have to do the funding but we also had to make decisions about what were hitherto government-funded organizations.\textsuperscript{40}

### 7.2 RESTRUCTURING THE CULTURAL SECTOR

Because it was now serving a much broader mandate by administering programs previously funded by the government, SCCO was directed by the Minister to undergo a restructuring process. After several task force reports, meetings and consultations, SaskCulture replaced SCCO in 1997.\textsuperscript{41} Like its predecessor, SaskCulture remained a not-for-profit organization governed by a volunteer Board of Directors elected by, and accountable to, its members. Provincial cultural organizations would no longer be the only voting members. Organizations from what was termed “communities of interest”
were invited to join the Board of Directors. To ensure equitable representation around the decision-making table each of the communities of interest were provided two spots on the SaskCulture Board of Directors. The communities of interest were: the Arts, First Nation and Métis, Multiculturalism, Heritage and Cultural Industries. Two remaining spots would be open to members-at-large viewed as representing cross-disciplinary cultural interests.42

Forming the communities of interest was described by one cultural administrator as a very slow, but effective process. Each community had different ways of organizing and each was given the opportunity to determine the best way to structure or facilitate the mechanism for providing their voice around SaskCulture’s board.43 The formation of these “communities of interest” was seen as critical because the government was relying on SaskCulture to take a much more activist role in developing cultural policy. The ministry had minimal staff and especially when it came to multicultural and heritage initiatives, SaskCulture was expected to be the primary policy making body. The situation was more complicated for the “arts” and the “cultural industries” since other arms-length government agencies like the Saskatchewan Arts Board and Sask Film had overlapping or shared interests in policy development and provided funding.

To facilitate and legitimize their expanded policy making capacity, SaskCulture made the decision to support already existing organizations or create new bodies to act as a unified “voice” for each community of interest. The Saskatchewan Arts Alliance, which by this time was well established, became the first formalized community of interest. The heritage community was more fragmented so it took longer to determine the appropriate mechanism. Heritage organizations, with support and funding from SaskCulture,
convened a provincial forum in May 2000 to consider options. The result was the formation of a new organization called Heritage Saskatchewan in 2009, as an initiative of the Board of SaskCulture, to represent the broader heritage community. The decision was made to expand the mandate of an existing organization to represent multicultural communities. The Multicultural Council of Saskatchewan (MCoS) had represented six regional multicultural councils and a variety of multicultural, ethnocultural and educational groups located across the province since 1975. MCoS would receive increased funding from SaskCulture and now act as more of a secretariat.

Formed much later in 1995, the Saskatchewan Cultural Industries Development Council was created at the direction of the provincial government (eventually becoming the Association of Creative Industries of Saskatchewan). This committee was originally mandated by the province to create a cultural industries development strategy designed to develop a business plan for the book publishing, sound recording and film and video industries, as well as the commercial visual arts and crafts. They were therefore viewed as a logical choice to act as the community of interest for the creative industries. The First Nations and Métis Advisory Circle, officially formed in 2005, was established as a dialogue mechanism for these communities and to advise SaskCulture on changes needed to increase the participation of First Nations and Métis peoples in cultural activities throughout the province. A new Aboriginal Coordinator position was hired by SaskCulture to coordinate the Circle and launch a new funding program called the Aboriginal Cultural Leadership Grant.
7.3 RESOLVING THE ISSUES BETWEEN SASK CULTURE AND THE ARTS BOARD

Despite the restructuring which took place in the 1990s in the cultural sector, pressure continued to mount from the arts community to implement the recommendation of previous task forces to have a single agency to fund the arts. Several arts groups wanted to receive their funding from the Saskatchewan Arts Board. Arts Board staff and volunteers were perceived to have a better understanding of the artistic process than Sask Culture volunteers that might come not just from the arts world but also from the heritage or multicultural communities.50 Another reason people in the arts community were lobbying for a single arts agency was because, in the words of one activist, “it’s rather arbitrary to say somebody is either an amateur or a professional.”51

In 1999 the Saskatchewan Arts Board hired Jeremy Morgan as their new CEO. Morgan was well-respected in cultural circles, having moved to the province a decade earlier to lead the Saskatchewan Council of Cultural Organizations (SaskCulture’s predecessor). After leaving SCCO he served as CEO of Wanuskewin Heritage Park near Saskatoon. In contrast to many people in the provincial arts community, Morgan did not agree that artists were best served by a system which channeled funds from the province’s general revenue system. Revenue from lotteries initially funded culture in Nova Scotia but when lottery revenues began to increase this money was moved into general revenues. Morgan said that when he left Nova Scotia the total budget for culture was $3 million for a province which had close to the same population as Saskatchewan had. “When I came to [Saskatchewan] net proceeds from the lotteries was $8 million. That didn’t count the money coming from the Saskatchewan Arts Board, that came from
the treasury or the money that went to the Western Development Museum or the Natural History Museum that came from the treasury. So, Saskatchewan was spending about thirteen to fourteen million as opposed to three.”

Morgan said one of the first tasks he was given with the Arts Board was to work with SaskCulture and the Saskatchewan Arts Alliance to find a way to resolve the issues within the arts community. He was determined to get the various agencies that provided grants and support to the arts to work more effectively with each other. A Saskatchewan Arts Alliance board member described the transition to the single arts agency as a difficult time for everyone involved. “We were quite concerned because there was considerable friction between the Arts Board and SaskCulture and we were really concerned about what that was going to blow up into,” he said. “It was a difficult set of meetings that we were involved in but I think it had a successful conclusion. I don’t think the Arts Alliance itself can take a great deal of credit. The Arts Board and SaskCulture worked it out. They realized that they had to figure out how to make it work.”

The result of these discussions was a memorandum of understanding which was signed in 2002. A number of lottery-funded arts programs which had previously been administered by SaskCulture, are now delivered by the Saskatchewan Arts Board. Arts PCOs were given the opportunity to choose to remain under SaskCulture’s purview or to have their lottery funding juried through the Saskatchewan Arts Board system. The funds for these PCOs are paid directly to the identified PCOs from the office of the Saskatchewan Lotteries Trust Fund for Sport, Culture and Recreation once the Arts Board provides Sask Culture with the decisions on individual grant allocations.
7.1. shows that funding to cultural sector remains much more complex than it is for the amateur sport and recreation sectors.
Figure 7.1. Arts and Culture System Overview.

Adapted from Weseen and Olfert (2008, 3).
A surprising finding was how appreciative employees of provincial cultural organizations were of Sask Sport for keeping the sport, culture and recreations together over the years. While they were also appreciative of the efforts leaders within SaskCulture and the Arts Board had taken to mend historical differences, they were quick to acknowledge the role Sask Sport continued to play. Focus group participants agreed: “We like sport. They are our best buddies. We like them for what they did in the past [in establishing the lottery] but also for how supportive they are of culture.” Support was also strong for a statement made by another participant who added: “When we think we might be unique and under fire we have a whole agency of other groups that intersect with this and would also add to our voices should anything happen.”

7.4 CONCLUSION

The lottery-funded sport, culture and recreation system is a complex institutional arrangement. There was some cross-over in membership between the entities that were brought together to direct the provincial lottery. However, each partner (and sub-sets within their spheres) entered the partnership with different expectations and levels of support for the new funding model. Each had its own membership base, mandate and vision for the future. To understand how the overall system evolved and determine the challenges in maintaining and enhancing the policy model, an in-depth examination of each of the institutional partners was necessary.

The cultural sector (more specifically the professional arts community), posed the greatest threat to the survival of the funding model. As this chapter showed, when the province decreed that the cultural sector would receive funds from the provincial lottery,
the role of the Saskatchewan Arts Board had to be redefined. Funding to provincial community-based arts programming would come from lotteries. Professional arts organizations would continue to be funded through the Arts Board. Community-based provincial arts, multi-cultural and heritage organizations were pleased to see funds directed to them from the provincial lottery. However, many people in the professional arts sector were less enthused. They were unhappy that a new administrative structure, directed by a sports body would be adjudicating funding for the arts. Moreover, many individuals in the professional arts community had moral concerns about accepting the proceeds of gambling.

Unlike amateur sport and recreation, lottery-funded cultural groups did not initially have an organization to unite them. Many people in the arts community believed the Saskatchewan Arts Board should be the umbrella organization for the cultural sector. Other leaders, especially those in Sask Sport, were concerned about this. What would happen to funding to community-based arts, multicultural and heritage organizations if funding decisions were made by the Arts Board whose primary mandate was to serve professional artists and arts organizations? Sask Sport and others feared that if lottery funds flowed through the province’s general revenue fund, as they did in other provinces, it would be too easy for the government to make cuts when times were tough. They believed it was essential to maintain the original funding structure which positioned them as partners, not just grant recipients.

Efforts to develop an umbrella organization to represent cultural PCOs and later federated groups underneath a new association with a larger mandate served to unite the fractured set of interests that threatened to weaken or even destroy the lottery partnership.
Despite numerous challenges the three sectors, together with the champions they had within government, strived hard to resolve differences behind closed doors and develop and maintain a strong collective voice. Work taken by leaders in the arts community to develop unity between the Saskatchewan Arts Board and SaskCulture lessened the historical divide between these two umbrella bodies.

Together the lottery partners worked together to respond to change, understanding the need to cultivate political support with representatives from all political parties and with elements of the civil service like the Department of Finance which remain leery of dedicated funds like the Lottery Trust Fund and prefer revenue considered to be public funds to flow through the general revenue fund. The next chapter will take a closer look at the results of the efforts of the system’s proponents to keep the provincial lottery as a fundraiser for sport, culture and recreation.

4CRV-1.
5SA-2.
6CRA-2
7Ibid.
8CRV-1.
9Morgan, “Saskatchewan Arts Board."
12CRA-3.


Ibid., 45-50.

SA-1 and SA-2.

Drover, “Arts Strategy Research.”

Bess Jillings and Allan MacKay, Co-Chairmen, 1984 Committee to Mr. Gordon Currie, MLA, 29 April 1982, BF-2-1, File 1.7.1 (70), Arts and Recreation-1982-83, Grant Devine paper, SAB.


Honourable Colin Maxwell to Barbara L. Pollock, Chairperson, Saskatchewan Arts Board, 21 July 1987, BF 2-2, File 7.6.3, Sask Arts Board, Grant Devine papers, SAB.

Barbara L. Pollock, Chairman, Saskatchewan Arts Board to Honourable Colin Maxwell, 23 July 1987, BF2-2, File #7.6.3, Sask. Arts Board, Grant Devine papers, SAB.

Maureen Forrester to Premier Grant Devine,” 15 July 1987, BF2-2, File 7.6.3, Sask Arts Board, Grant Devine papers, SAB.

Lorna Crozier to Honourable Colin Maxwell, 7 July 1987,” BF2-2, File #9.6.3, Sask Arts Board, Grant Devine papers, SAB.

Byrna Barclay, Vice-Chairman of the Saskatchewan Arts Board to the Honourable Colin Maxwell, Minister of Parks, Recreation and Culture, BF-2-2, File 7.6.3, Sask Arts Board, Grant Devine papers, SAB.


CRA-6 and CRA-2.


Honourable Beattie Martin, Minister of the Family to Premier Grant Devine, Cabinet Ministers and MLA, Internal Memo, 27 March 1991, 91-281, BF2-2, 15.23.10, Multiculturalism and Recreation, Grant Devine papers, SAB.


Darlene Gordon, chairman Zone 8 Sports Council to Premier Grant Devine,” 22 April 1991, 91-281, BF2-2, Lotteries: 90-91, Grant Devine papers, SAB.

Linda Folk to Premier Grant Devine,” 22 March 1991, 91-281, BF 2-2, File 5:6.10, Lotteries, 90-91, Grant Devine papers, SAB.

CRA-6.

Sask Sport Inc., Annual Report 1990-91 (Regina, SK: Sask Sport Inc.).


CRA-6.


49CRA-5.

50CRV-4.

51Ibid.


54CRA-17.
The most surprising finding from this study was the level of support shown for volunteer-sector management of the provincial lottery. Care was taken to include the perspectives of participants not personally invested in the system such as former and current civil servants, as well as volunteers and staff no longer associated with the lottery-funded sectors. Findings from the interviews were further tested through a series of focus groups with an even broader sample of participants. Even individuals viewed by senior officials with Sask Sport as less supportive or potentially even hostile because of personal circumstances that caused them to leave the system, offered little in the way of concrete criticisms. Regardless of their entry-point to the system, whether they were civil servants or political leaders or employees or volunteers, and which political party or ideology they identified with (if any), the consensus was that the way Saskatchewan runs its lottery system is something in which the province should take pride. A phrase which came up frequently, usually within the first few minutes of each interview, was that Saskatchewan is the envy of other jurisdictions when it comes to how this arrangement between the government and the voluntary sector works.

Another unexpected discovery was the degree of support and level of participation by Aboriginal people in the amateur sport system in Saskatchewan. While First Nations and Métis people interviewed for this study recognize that many disparities remain between Aboriginal people and mainstream society within amateur sport, there was general agreement that the steps being taken in Saskatchewan through the lottery
system has had noticeable impact. Participants pointed to Saskatchewan athletes’ consistent success at the North American Indigenous Games and programs to increase Aboriginal officials and coaches as examples of how the sport system is responding to the needs in their communities.

This chapter is divided into two parts. The first section outlines the themes which emerged from the interviews and focus groups of how institutions within the lottery-funded system in Saskatchewan are structured which leads to active participation, personal ownership and empowerment by those who benefit from lottery revenues. Three subcategories emerged from the interview and focus group transcripts to indicate signs of institutional strength (1) viability; (2) efficiency; and (3) public accountability.

The second part of this chapter describes results which suggest the way Saskatchewan has structured its provincial lottery has created policies and programs which have led to stronger, more cohesive and inclusive communities. Two overarching subcategories emerged from the coded qualitative data that are consistent with results described in the scholarly literature as indicative of social capital (1) social cohesion and community development and (2) empowerment. There is a large degree of overlap between these codes and the axial codes which are described as contributing factors in a system that rewards and encourages citizens to become actively involved in their communities. Community leaders talked about their involvement in the development of new programs, funding oversight and adjudication procedures, and the monitoring of system needs and priorities. Since volunteers are elected by and accountable to the member-based provincial bodies that are the recipients of lottery funding, they recognized they were in a good position to identify the need for new programs that meet
the changing needs of the communities they represent. Voluntary sector leaders work with their government partners to identify public policy priorities which then become the terms of regularly negotiated lottery license agreements. This chapter will explore these themes in greater detail by looking at the types of programs that have been developed and by examining the principles behind the design, delivery and accountability measures of lottery-funded programs.

Particular emphasis is placed throughout the chapter on efforts taken to direct lottery-funds to the Aboriginal sport system and to develop policies and programs that bridge the two sport systems. Aboriginal leaders described a funding system which has facilitated and encouraged the development of the First Nations Games and contributed to the success at the national level of sporting events like the North American Indigenous Games.

8.1 INSTITUTIONAL STRENGTH

Respondents described a viable funding model which provides sport, culture and recreation associations with a stable source of long-term funding that allows them to plan for the future and remain flexible and open to new opportunities that respond to local needs as they arise. Political leaders and civil servants depicted the volunteer-driven system as efficient and cost-effective to administer. High standards of public accountability have been achieved through very deliberate and sustained efforts to ensure granting programs are insulated from potential political interference. Public accountability was seen to be increased because of the meaningful role in the decision-making processes provided to volunteers who are elected by, and held accountable to,
their communities. Table 8.1 illustrates the themes that emerged from the interviews and which were supported by the focus groups.

8.1.1 CREATING Viable ORGANIZATIONS

Nonprofit organizations rely on many different sources of revenue and forms of support to accomplish their missions and budget composition varies considerably depending on the type of service or interest that is represented, the organization’s size and geographic region encompassed. Revenue typically spans everything from forms of “earned income” such as membership fees and admission charges to money earned from fee-for-services contracts as well as support from charitable donations or grants and in-kind donations.¹

Beginning in the 1980s, the New Zealand and the British governments shifted from “grant-based” funding to a “contract funding” model. In Britain, this change was accompanied by deliberate under-funding to the voluntary sector; the theory being that the public would fill the void with charitable donations. Governments across the western world, including Canada, responded to their public debt crises in similar manners. This new funding model was based on concepts associated with New Public Management (NPM). The rise of this neo-liberal thinking meant practices perceived to be proven effective in the private sector should be applied to government bureaucracies.²

While some nonprofit organizations depend less on government to fund their operations, the sector as a whole was impacted by NPM.³ Those organizations that survived cuts in government funding found themselves dealing with a new reality. Funders (not just government agencies) shifted from general “mission support” to targeted funding for specific projects and programs and instituted more stringent accountability measures and control for how money could be spent.⁴ The lottery-funded...
Table 8.1: Designing Institutions to Encourage More Active and Accountable Participation

<table>
<thead>
<tr>
<th>Interview Responses</th>
<th>Open Codes</th>
<th>Axial Code</th>
<th>Selective Code</th>
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<tbody>
<tr>
<td>“There’s a chance to do more planning.” (CS-10).</td>
<td>Long-term planning</td>
<td>Viability</td>
<td></td>
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<tr>
<td>“Organizations that are dependent only on project funding are always chasing half a dozen pots of money” (CS-4).</td>
<td>Stable Funding</td>
<td></td>
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<tr>
<td>“If the budget has to be approved by a vote of the legislature you can’t deviate from that” (PL-2).</td>
<td>Flexibility</td>
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<tr>
<td>“They had the lowest expense to sales ratio of any of the three partners in the WCLC” (CS-11).</td>
<td>Low cost</td>
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<tr>
<td>“The strength of the system is the volunteer component” (CS-10).</td>
<td>Volunteer-driven</td>
<td>Efficiency</td>
<td>Institutional Strength</td>
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<td>“Having responsibility of the revenue base leads to more responsibility and accountability” (CS-4).</td>
<td>Responsibility for revenue base</td>
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<tr>
<td>“Other provinces have bureaucracies that are just mind boggling” (CS-14).</td>
<td>Less bureaucratic</td>
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<tr>
<td>“Part of the strength of the system is that it is not partisan” (PL-2).</td>
<td>Non-partisan</td>
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<tr>
<td>“You’re giving away millions of dollars ... We have to be very transparent in our decisions” (SV-24)</td>
<td>Meaningful role in decisions</td>
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sectors in Saskatchewan were not immune to the challenges of these new fiscal realities and the drift to results-based management strategies and public accountability measures in the late 1980s and early 1990s. There is reason to believe, however, that sport, culture and recreation organizations in Saskatchewan fared better than their counterparts in other provinces in the face of this shift.

As we learned in chapter six, one of the main ways this trend played out in Saskatchewan was that the Progressive Conservative government dramatically scaled back its general revenue funding to sport, culture and recreation. Beginning in the mid-1980s each budget saw the province downloading responsibilities originally funded from government to the lottery sector and even the Saskatchewan Arts Board was funded through lottery dollars for a short period of time. This trend continued with the election of the NDP government in 1991. The cuts at the provincial level coincided with the federal government repositioning its relationship with the voluntary sector. Employees and volunteers of provincial cultural organizations who attended focus groups for this study discussed how difficult this period was for them.

There was general agreement among cultural representatives that they were able to survive these cuts because lottery funding could be counted on and was more stable and flexible. An individual from the multicultural sector described how the organization she was working for was affected. “Most of our funding ... in the mid-90s ... came from Canadian Heritage, like 90 percent of it. Not too long after I started, somewhere in the mid-to-late 90s, the federal government went through that huge shift around accountability and they just stopped funding operational funding. Period. Gone forever.”
8.1.1.1 Stable Funding

Lottery grants range from a low of 10 percent of annual revenues to as high as 80 percent for some provincial sport, culture and recreation organizations. When asked about the significance of this funding source, executive directors of provincial cultural organizations and provincial sport governing bodies were unanimous in their belief that lottery funding is essential to their operations. One cultural leader noted that lottery funds represented a relatively small portion of his organization’s total budget (11 to 15 percent), but he described this funding as “vital” because it supports the position of executive director, office manager and others in the system. “Without this funding,” he said, “we’d be really hard pressed to continue to operate.” Another person jumped into the conversation to stress that, “The lottery funding provides operation support and that’s been critical to all of these organizations. Typically you might get project funding but you won’t get the sustainable core funding support so that’s really critical to the whole culture sector in this province.”

Employees of lottery-funded organizations expressed little concern that their annual budget requests would be rejected or substantially reduced. Funding has also been more stable to these sectors because it is tied to a formula related to net lottery proceeds that does not have to be voted on in the legislature every year as part of the annual budgetary process, a process which can lead to major cuts during periods of provincial fiscal difficulties. One executive director of a PSGB said when she meets her counterparts across the country they marvelled at Saskatchewan. “The fact that I know my funding from two years out. ... It’s almost unheard of in other provinces. They just basically have to go year to year to year...their funding comes through direct from
government, so it’s very political.”8 Another individual, working for a lottery-funded
multi-sports organization, agreed that the sports community in Saskatchewan is fortunate.

Other provinces, if they need more money, have a bureaucracy to go through
that’s mind-boggling. We’re pretty thankful that we have one step and that’s
Sask Sport and they make the decision whereas in [other provinces] when they
want to increase funding they’ve got to go through about four hoops before they
can even begin to find a process or begin to get extra funds.9

Cultural volunteers also acknowledged the importance of having a single
organization to represent their interests to government. “What would it be like to have 30
or 32 PCOs lobbying for each organization for funding to be in existence? Can you
imagine that? With the lottery system, the way it’s in place and the adjudication system
that is in place, which I think is working well, they let you know what your funding is
going to be for the next three years.”10

The findings in the interviews and focus groups for this study are consistent with
results reported in a study of gambling granting programs conducted by the Canada West
Foundation in 1999. An executive director of an arts organization interviewed for the
Canada West Study described the benefit of the lottery system in Saskatchewan as
follows: “With lotteries, we know what we’re eligible for, and unless we do a poor job of
accounting for the spending of the money the previous year, we know we are going to get
that money.”11

When questioned whether there was any worry in their minds during license
negotiations that their budgets might be impacted or that the government would alter the
system to move lottery revenues into their general revenues, there was a range of
responses. The focus groups with PSGBs and PCOs took place just a few weeks after a
new five-year agreement had been signed with the province so this was a topic fresh on
some of their minds. A number of individuals indicated that they always felt a degree of apprehension during license negotiations because they understood the government can increase the fee thereby generating new programming expectations which could impact their operations. This theme was expressed more often from individuals who had worked in the system during the years when the province was going through difficult financial times and began downloading more and more responsibilities to the lottery sector while at the same time increasing the license fees. Employees of provincial organizations who had worked in the system for shorter periods of time showed little, if any, concern about these higher-level negotiations with the province.

Prior to 1993 lottery licenses were negotiated annually. A civil servant who managed the lottery file explained the reason. He said lottery revenues were growing exponentially and government had challenges regulating the amount of money going to sport, culture and recreation. “You were getting double digit increases in sales for a period of time and the government really struggled to use the right instrument and a one year license was the right instrument when revenues were moving as quickly as they were.” Once lottery revenues started levelling off and more accurate projections could be made, the government was willing to sign multi-year agreements.12

In 1993, the province began signing three-year agreements with Sask Sport, SPRA and SaskCulture. One cultural sector executive described the effect longer-term funding from the lottery has had for her: “It’s the stability. Now that they’re doing multi-year funding, you can budget, you can plan for things: where you’re going to have to find other money and all of that kind of thing.”13 In 2009, the government committed to even longer-term funding to their lottery partners by signing a five-year agreement. They also
lowered the license fee (the profit that goes into the Saskatchewan Government General Revenue Fund) to 3.75 percent.\textsuperscript{14} In January 2014 the province announced a renewed, five-year agreement which guarantees that Sask Sport will continue to be the marketing agent for Saskatchewan Lotteries and that sport, culture and recreation organizations will remain the primary beneficiaries of lottery proceeds. During an interview after making this announcement, Parks, Culture and Sport Minister Kevin Doherty said, “The one thing I was told over and over from our lottery partners is that they seek stability, they seek certainty. So a five-year agreement, (is) the longest agreement they’ve ever had in the history of lottery licensing since 1974.”\textsuperscript{15}

8.1.1.2 Flexibility of the Funding Arrangements

Employees who administer lottery funding also appreciated the flexibility that is built into the system. “We get a global grant so as the world changes and turns, you can change your programming without having to go through an enormous process.”\textsuperscript{16} A long-serving employee indicated that for the quarter century that she had worked in the sector, lottery funds had always been operating grants which are much easier to administer than project grants which most other granting agencies have turned to.\textsuperscript{17} Another executive director of a PSGB said she appreciates the approach Sask Sport takes when it introduces new funding initiatives which are mandated by the province through license agreements or results from funding from the federal government. She used the funding directed towards a new program called Long-term Athlete Development (LTAD) as an example. The LTAD model emerged in 2002 out of a two-year process of engagement and consultation initiated by the federal government that involved the collaboration of all 13 provinces and territories and created a national sport policy with shared vision and goals.
for sport development throughout Canada.\textsuperscript{18} As one sports administer explains, “Long-term athlete development is a seven step process where we start at the very beginning with getting kids involved in physical activity going all the way down to being active for life which provides opportunities for so much of the population rather than just high performance athletes.”\textsuperscript{19}

While there was an expectation sport organizations would incorporate LTAD into their long-term planning process and programming, the executive director who brought up this example believes PSGBs in Saskatchewan were granted much more flexibility on how to implement this new program than groups in other provinces. “Sask Sport understands success for curling might be different than success for soccer or handball,” she said, adding she is grateful provincial sport organizations don’t have to worry about lobbying the provincial government for policy changes or increased funding. “We’re so fortunate in Saskatchewan not to have to deal directly with government. Sask Sport does that for us and the people working at Sask Sport have that knowledge of what sport needs that government employees trying to mandate election promises don’t.”\textsuperscript{20}

Another example of the flexibility built into lottery-funded system is evident in the Community Grant Program created in 1985. Funds are distributed on a per-capita basis to local governments — city, town, village, organized hamlet or rural municipality, Indian band councils or northern settlements. These authorities adjudicate applications from local nonprofit, volunteer groups for programs aimed at getting more people involved in sport, culture and recreation in their communities. Inter-community cooperation is seen as extremely important in the development of effective programs so
communities are encouraged to allocate their funds to other locales if they feel higher-quality programs can be achieved through pooled resources.21

SPRA field consultants described how the Community Grants Program functions. Many of them indicated they had played a role in administering this program in previous jobs they held as town recreation directors or employees in recreation or leisure services branches of small to medium-sized cities. The six people in the discussion group described a host of different arrangements and uses of the money in the communities they served. One person said, “I think the interesting thing about the community grant piece is that every community gets that money [on a per capita basis] but it’s up to them how they allocate it.”22 Some communities choose to use this money to fund programs delivered by the city or town. Others make the money available to nonprofit organizations delivering sport, culture or recreation programs to community residents — either as core funding for these groups or for specific projects. As another field consultant reflected, “One of the amazing things about this program is that it’s able to meet the needs of each particular community instead of being a blanket thing saying that this is how it has to be. It gets some leverage or some leeway to make it work for each community’s needs.”23

Those interviewees who spoke to the theme of “flexibility of funding” indicated that the ability to respond relatively quickly to new realities facing their communities had served the broader public policy interests in the sport, culture and recreation sectors in Saskatchewan. A Sask Sport employee explained how the Community Grant Program was revised when the provincial government made the decision to no longer provide grants to seniors’ centres to pay their utilities. “When government took that away, the community looked to us to fill part of the gap.” Communities were allowed the option of
using up to 25 percent of the grants they received for operational costs of facilities. “We
don’t want these grants to be facility grants because there’s never enough money to fix all
the roofs or furnaces but allowing them to use a portion of their community grant to
operate their facilities helped ease some of the strains and burdens caused when the
government grants were cut.”

Employees and volunteers of the multicultural community described how the
flexibility within the lottery system benefited their sector when funding was slashed by
the federal government during the early 1990s. As this PCO representative said: “[o]ne of
the benefits that I see of the lottery system was that there was a flexibility to say, ‘wow’,
what are you going to need? That’s where the Multicultural Initiatives Fund [MIF]
through SaskCulture came from, because there was suddenly nowhere for the smaller
multicultural organizations to look to for funding. Under the MIF there’s operational
funding and there’s project grants. It’s extremely important.”

A civil servant working during this difficult period was astounded at how quickly
the lottery system could develop and implement programs like the one described above.

It’s such a nimble system. You know what it takes to change the wheels of
government in real life. Good God. Well the lottery system, they’re nimble.
They can make things happen very quickly. They have to understand the reasons
and they have to be able to translate those reasons to their community-based
groups but if it has some merit and some traction in those communities, it’s
worth doing and they can make it happen very quickly.

8.1.2 COST-EFFECTIVE AND EFFICIENT MANAGEMENT

One of the key reasons that the Saskatchewan government, even during times of serious
fiscal problems, never seriously considered making fundamental changes to the way the
lottery system was run, were the minimal administration costs associated with the model.

As one civil servant said, “Sask Sport is more efficient at running the lottery system than
the government would be as a Crown agency." A former Finance Minister was even more firm in emphasizing this point. “Nobody will ever believe that the government can administer something more cheaply than Sask Sport or any other private organization. That’s a non-starter. The only way I can see that there would be public support to change the system would be for there to be some kind of big scandal.”

A cross national review of statistics compiled by provincial lottery authorities confirmed the strongly held belief that Sask Sport operates the provincial lottery more cost-effectively and efficiently than its counterparts in other provinces. For instance, Manitoba Lottery Corporation, a crown corporation, had total operating costs as a percentage of sales of 25%. Costs to operate the lottery in Saskatchewan were 17%. It is not possible to come up with a similar comparison with the other partner in the Western Canada Lottery because Alberta does not separate out the cost of servicing their lottery retailers from servicing their VLTs and other forms of gaming. However, calculations for the regional lottery entities show that the WCLC’s operating costs were lower than the other four regional lottery operations.

Another politician from a different political party expressed a similar belief in the efficiency of the lottery system, adding that a key strength of the funding model is that the money builds community in a way that tax dollars are unable to do. “Tax dollars are seen as somebody doing something for you. With this system, it’s the community doing it themselves and building their own institutions.”

A theme which parallels the efficiency argument is that lottery money acts as “seed” money. As this political leader put it, “It doesn’t fund their whole budgets. For every dollar they can get say in grant money they raise ten themselves among their
members and supporters and that’s a big multiplier effect on the economy of the province.”32 A SPRA leader also stressed this strength of the system, suggesting that, “The real story is the leveraging piece — how so much more gets done by this little investment, recognizing the value of the volunteer. It’s the people at the local level: the volunteer coaches, the volunteer Scout leaders that get a bit of training from their provincial association. They’re dedicated because their kid is in it or just for the better good but that’s where it really pays dividends.”33

The leveraging principle is important because lottery funds, while very important, only cover a portion of the costs to offer sport programming. Data from the 2005 General Social Survey showed that two-parent households with two children spent an average of $579 during the year on sports and athletic equipment. In addition to these equipment expenses, families may contribute money to facility rentals, transportation to sports events, club membership and competition entry fees in order to support their children’s participation in sports.34 As one senior sport administrator stated, “The money that’s needed to actually have the system that we have right now requires substantial fundraising or fees from parents and children and those fees continue to go up.”35 With this in mind, the Sask Sport board of directors decided early in the organization’s history not to pursue sponsorships from the corporate community. These opportunities would be left to their members.

According to senior administrators with Sask Sport, the revenue that PSGBs and their members raise through their own initiative is important for reasons other than just funding programs or events. “Having their own money gives them some independence so they can prioritize what’s important to them instead of just following the rules we set up
for grants.” With this in mind, Sask Sport has put significant effort over the years in setting up services to help members of the sport, culture and recreation community help themselves in their own fund-raising ventures. For example, nonprofit organizations were once able to sell pull-tab, instant-win break-open tickets. Sask Sport made the process easy for their members to benefit from this fundraising opportunity by helping them obtain the required license and bulk purchasing a variety of different tickets that the groups could easily obtain from them if they were interested. Sask Sport even published a magazine for a number of years as a way to both increase communication within sport and recreation communities while at the same time offering their members the opportunity to earn money through subscriptions sales. Player Magazine was specifically designed for athletes, coaches, sports administrators, club officials, league organizers and equipment buyers.

For a period of time Sask Sport also became involved in the bingo business as another way to help the amateur sport community earn additional funds. Sask Sport partnered with the Regina Exhibition Association and forty non-profit sport organizations to offer Community Bingos on the Exhibition Grounds. “We provided the management of the community bingo on the exhibition grounds,” said one Sask Sport employee, “we provided the salaries, staff, everything else. Then the groups came in and they ran the bingos. They took the profits and away they went. It was fundraiser for them, not us.” Sask Sport has also coordinated the Sport Legacy Fund as a fundraising opportunity for its members. The program encourages individuals who have benefited from sport or who believe in the value of sport to contribute cash donations, monthly/annual contributions, planned gifts like life insurance policies or bequests or gifts in kind, such as gifts of listed...
securities. Since its inception, the program has raised more than $5.8 million for amateur sport in Saskatchewan.41

8.1.3 ENHANCED ACCOUNTABILITY

One of the key strengths to the Saskatchewan Lotteries system is the sense of responsibility and ownership the volunteer community has to it. As one senior government administrator described it, having responsibility for the administration of the revenue base as well as the granting side ensures that the lottery system is extremely responsible and accountable for its activities because volunteers understand where the money comes from and have a personal stake in seeing the operation thrive. Another official recounted a conversation he had with the leadership of the sport, culture and recreation umbrella organizations when the province’s finances were improving. He told them that this meant that the lottery licence could be reduced and more money could be put back in the system. He said he was surprised with the response he got back from them when he delivered this news. “I was told we should wait on this because they were in the process of a funding review and wanted to put more rational funding criteria in place.”

He was told that there were currently about seven provincial martial arts organizations being funded. They wanted to see the groups cooperate more closely with each other — forming one organization with lower administrative costs and working harder to promote their sport as a whole. “This is a good example of their accountability and their fiduciary responsibilities,” this official believes.42 A volunteer serving on the Sask Sport Board of Directors offered his version of this same story, recalling the board discussions around this decision. He said the message the board decided they would communicate to the groups was that, “We want all of you people to be under one umbrella. You’ll have to get
along to do that. You’ve got to share the money because that’s the only way we’re going to recognize you.”

Volunteers and staff have always understood that the government has the ability to alter or annul the relationship at any time. One former Minister believed this tension has served a useful purpose in that volunteers never took their system for granted and consequently were always “extra, extra careful” in how they conducted themselves. A former volunteer vividly remembered his first board meeting.

I was about half way home and all of a sudden my hands break out in a sweat and I’m thinking — do you know what you’re involved in? You’re giving away millions of dollars of somebody’s money... We have to be very transparent in our decisions.

Another key strength of the lottery-funded system in Saskatchewan has been its ability to transcend politics. Since its establishment in 1974 the lottery system survived five changes in government, was housed under eleven government departments and reported to 24 different Ministers. One of the reasons that can be attributed to the system’s longevity is that its leaders have understood the importance of remaining non-partisan.

As one senior recreation administrator said: “You have to show that you’re non-political and you’re just out for what’s best for communities and here’s where the money is going and here’s why it’s going there. That becomes pretty hard to argue against.” Similar understandings were expressed by senior staff in culture and sport. “I would never tell anyone how I vote,” stressed one cultural leader, “Some people in the cultural community are not good at recognizing that you can’t become too tied to one political party. I can’t tell people they can’t be involved in politics but if they are on our board they have to be fairly apolitical. You’re in the house with the party that is in power but you can’t be in bed with them.” This is not to say that existing political connections are not cultivated
she stressed. “I always make sure some of the presidents who know so and so use their connections to get our message across but as an organization we work with whatever government is there.”

Elected leaders from all administrations that have overseen the lottery system also highlighted the non-partisan nature of the system as one of its greatest strengths. According to one minister, “Part of the strength of the system was and still is, is that it is not partisan — because the decisions are not being made by elected officials.” As this politician sees it, volunteers, who have a better understanding of the needs of their sector, are in a better position to judge the relative merit of individual grant applications. Furthermore, as he and others noted, getting involved in these types of processes brings more political headache than benefit. A former civil servant recalled a conversation he had with the Deputy Minister to the Premier who said that the last thing a government should do is become involved in distributing grants. Political points are not scored, he said, by saying no to whole bunch of people.

Another civil servant also spoke to the benefits of having arms-length agencies making these kinds of decisions. “We always pointed out to Finance [officials] when they said, ‘we should just make it a government agency with an allocation from government’—when you do that you are turning the attention of 12,000 community groups from the three globals and their systems to government. It may sound like it’s a really good idea to have all these photo ops but you have 12,000 advocacy groups on your doorstep.”
8.2 BUILDING SOCIAL CAPITAL

Though the phrase “social capital” was used by only one participant, almost all other interviewees (especially those in volunteer positions) spoke to dimensions of this concept which are prevalent in the scholarly literature. The person who used the actual words “social capital” was a senior representative from the Saskatchewan Parks and Recreation Association using the phrase to describe the benefits of community recreation.

There’s a huge social capital development piece in recreation. We’re doing work with SUMA [Saskatchewan Urban Municipalities Association] to find what are the best practices in the province on regionalization because we’re getting more and more requests from communities saying, ‘how can we do something together,’ and what we’re finding is if you start in the recreation field, it’s easier, because everyone likes recreation, but if you try to combine sewer services or water services, you have problems right off the bat.53

In this sense then, he believes, recreation serves as a bridge to other efforts to improve communities by bringing people together in what he described as “a non-threatening environment.” Parents are encouraged to volunteer which “adds to the social capital of the community” – which this recreation leader defines as “community development and community pride.” In his mind, “volunteerism is one of the best forms of democracy.”54 This observer further noted that jobs and economic development might bring people to a community but it is the recreation experience that keeps them there. “If they’re not happy in their community they’ll find another job. People don’t come here because you’ve got the best water or the best roads. They’ll put up with gravel roads and well water if their kids have some place to go and they’re happy.”55

8.2.1 EMPOWERMENT

One of most prominent themes to emerge from the interviews was the sense of empowerment individuals believed has been created by the structural features of the
lottery system. Examples of the open and axial codes, with representative quotes, that contributed to this conclusion are presented in Table 8.2. Aboriginal participants were particularly passionate in their belief that the lottery-funded sport, culture and recreation system allowed them to contribute to the organizations they were involved with in meaningful ways that helped improve the lives of people from their communities. Many individuals also spoke about the opportunities for personal development that their involvement had offered them. Some spoke about how they used the skills they learned through their jobs or as volunteers and the flexibility and stability that lottery funding afforded their organizations to assist other communities of interest provincially and even nationally.
Table 8.2: Strengths of the System - Empowerment

<table>
<thead>
<tr>
<th>Representative Quotes</th>
<th>Open Codes</th>
<th>Axial Codes</th>
<th>Selective Codes</th>
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</thead>
<tbody>
<tr>
<td>“It’s the community doing it themselves” (PL-4).</td>
<td>Self-control</td>
<td>Ownership</td>
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<tr>
<td>“Motivated community members are empowered to make changes” (SV-26).</td>
<td>Community-driven</td>
<td></td>
<td>Engagement</td>
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<tr>
<td>“We had to answer to these people at our annual meetings” (SV-23).</td>
<td>Accountability to Members</td>
<td></td>
<td>Empowerment</td>
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<tr>
<td>“You get knowledge you could never get anywhere else” (SV-1).</td>
<td>Opportunity</td>
<td></td>
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<tr>
<td>“We’ve developed an expertise in Saskatchewan that’s not common elsewhere” (CRV-4).</td>
<td>Personal Development</td>
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<tr>
<td>“I learned to communicate, to compromise, how to reach consensus and facilitate; and</td>
<td>Community Development</td>
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<td>the power and limitations of politics” (SV-25).</td>
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<tr>
<td>“We’re in control of our own destiny here” (First Nations leader, SA-4).</td>
<td>Self-determination</td>
<td></td>
<td>Pride</td>
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<tr>
<td>“It’s more than sport. We develop the policy” (SV-12).</td>
<td>Opportunity Role Structure</td>
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<tr>
<td>“I think it is the best system in Canada” (CRA-2).</td>
<td>Other jurisdictions envious</td>
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Senior managers at Sask Sport believe this sense of empowerment comes from the degree of volunteer involvement and grassroots control of the system that is part of the funding model. One executive team member said, “Our programs are all based on the same principle. The volunteers own it. They raise the money. They give the money away....If it’s going to be successful it’ll be successful because you did the work.” He reminisced about the late 1980s when Sask Sport was first made aware of the serious inequities between Aboriginal and non-Aboriginal communities when it came to opportunities for sport, culture and recreation. He recalled a meeting with a First Nations man that had been arranged by a prominent member of the cultural community. After this meeting, he said it had become quite clear that Sask Sport would have to play an even bigger community development role than they had in the past.

We were used to working with groups of people who volunteered to do work so putting money in their hands to do programs worked. In the beginning, we followed the same approach with the Aboriginal community. We had to learn that those systems, those volunteers, didn’t exist in Aboriginal communities. Poverty had stripped that community of any capacity to be effective in doing anything. We had to train people to be role models and mentors.56

The Sask Sport leaders indicated this meeting, arranged by a respected member of the cultural community they held in such regard, marked a turning point for their organization. Up until this point, very little attention had been directed by any of the lottery-funded sectors to the needs of Aboriginal communities. The individual they met drew their attention to the challenges facing First Nations and Métis communities. This man recalled that meeting well. He said, “I remember sitting down and looking at these guys and thinking they looked like pretty hard-nosed people. You don’t build up an organization the way they built Sask Sport without clear direction, vision, firmness. I was wondering how they were going to respond to what I would say to them.”57
What Sask Sport decided to do after their first few meetings with this individual was to convince him to take a short-term contract to advise them on the direction they should take on these issues. This was not something this individual, who was already working full-time for an Aboriginal services organization in Regina expected, or wanted from Sask Sport. He indicated he accepted the contract because he felt Sask Sport was sincere in its desire to address the issues he had brought to their attention. Other Aboriginal leaders who were interviewed for this study confirmed the significance of this one, respected individual’s endorsement and involvement with Sask Sport.

Shortly after, this individual was convinced to take a leave of absence from his other job. One of the first recommendations he made to Sask Sport was for them to form an Aboriginal Advisory Committee to their Board of Directors. This occurred in 1990, resulting in meetings throughout the province with people in the sport community, challenging them to reflect on why so few Aboriginal people were taking part in their activities.58

The First Nations interviewee felt that Sask Sport was easily convinced of the need to have meaningful involvement from the Aboriginal community, not just token representation: “I thought the development of an internal Sask Sport committee was significant because then it becomes a program versus a one-person contract to do something. In that sense, it became part of the systemic effort versus an individual’s initiative,” he said. “You can have all the individual initiatives that you want but if you don’t structure your organization in such a way that it becomes a part of a living organization then it’s not going to be very effective in the long run.”59
This understanding and way of operating has been applauded by many people from Saskatchewan’s Aboriginal community. This is exemplified by the words of this First Nations leader who said: “The only reason Aboriginal sport has got from A to B right now is because we’re in control of our own destiny here. We can allocate these pots of money the way we see as experts around the table, that it’s going to benefit our communities.”  

Members from the province’s cultural community were also quick to point out the efforts they were able to make to underserved communities because of the stability and flexibility lottery dollars provided them. There was a lively discussion in the focus group with staff of provincial cultural organizations about how having funding to hire staff is a luxury that puts them in an enviable position compared to other jurisdictions. One individual made the point that, “[w]ith the exception of Alberta, which has a lot of casino money, no other provincial [organization] across the country actually has paid staff or an office staff. They are all completely volunteer run. This has given us [the Saskatchewan organizations] the opportunity to be accessible to anyone in the province.” This employee, who has worked for her organization for more than ten years and has served on her national board for five years, believes that because of the stability she has with her funding she is able to provide support across the country. She was proud to say that, “Lottery funding has allowed us to lend our expertise to that national stage. We can offer stability across the country to help with administrative support to our national board that doesn’t have any staff. So we’re a fully working national board as well.”  

Numerous other participants spoke to this theme, including this person who has worked for many years in the cultural sector who said: “We have over 250 member
[associations] across the province. We’re able to provide them with not only training and professional development but we have done some nationally leading work in the area of standards development and computerized collections management work. All that came because we had that stable funding base from lotteries.”62

Volunteers also spoke to the personal sense of empowerment they felt from their involvement with the global organizations that fund sport, culture and recreation. Sometimes these types of comments surfaced after they were asked the question of why they chose to volunteer. Other times this information was volunteered with no prompting. During the focus group with cultural volunteers, for instance, participants talked about how their involvement in SaskCulture put them in a position to help other organizations. For instance, an artist and arts activist who attended this session spoke about his experience in helping to establish a society to represent his sector at the national/international level.

It turned out that I was the organizational guru there. I was the one who knew how organizations worked. These Americans, university professors, successful business people, none of them had a clue about policy development and how an organization functioned. To my knowledge, this is just common knowledge in Saskatchewan, it’s the kind of knowledge everybody in this room has. We’ve developed an expertise in Saskatchewan that’s common here but not necessarily common elsewhere.63

A past President of Sask Sport was clear in the skills he gained from his time on the Board of Directors, “I learned about the need to communicate, the need to compromise, the need to reach consensus; facilitating things; and the power and limitations of politics. It was an education I couldn’t have got if I’d taken an MBA course.”64 Another former board member used the same type of education analogy, “It was a great university course that I got to go to for four years. That’s your pay. You don’t
get anything financially but the knowledge you gain, the networking, the people you meet
to help you move on to the next level of your own career. That’s what we get and that’s
huge.”65

8.2.2 SOCIAL COHESION AND INCLUSION
Social cohesion and inclusion are closely related to the previous dimension of social
capital that was just described — empowerment. Efforts to engage stakeholders in
meaningful dialogue helps facilitate the development of policies and programs that lead
to social cohesion and inclusion. Members of the Aboriginal community knowledgeable
about the sport, culture and recreation system in Saskatchewan were clear in their belief
that the system allows them to participate in ways they are unable to do in other sectors.
When employees at Sask Sport were asked what they felt their greatest accomplishments
were, without exception, almost everyone mentioned the work that was being done to
make the system more inclusive.

Sask Sport staff spoke about the creation of a new division in their organization
that employs First Nations and Métis people to deliver the Aboriginal Coaches and
Officials program and other sport development programs aimed at increasing Aboriginal
participation. They also spoke about the benefit of having all divisions in Sask Sport
integrating Aboriginal participation goals into their work plans instead of having a
separate unit devoted to this.66 The benefits of this approach was described by this
employee who said: “When we had the Aboriginal Services Unit everything that came to
sport and was Aboriginal fell on that plate and that wasn’t the best approach because
everybody in the amateur sport system needs to start thinking about servicing the
Aboriginal community. The programs that are offered can’t remain in a silo.”67
A First Nations interviewee who served on Sask Sport’s Board of Directors recalled the feeling of apprehension she had the first time she attended a meeting in the sport federation’s board room in Regina. “I walked down this hallway of all these photos on the wall [of the past presidents]. I can see that there are a few women on the wall but the volume of white males on those walls is overwhelming for an Indian person coming into this organization.” She gained a different perspective after serving in a volunteer capacity for a number of years.

“Sask Sport was like home for me,” she said. “It made sense to me. It is amazing what they’ve done and it’s amazing to see how a group of motivated people were able to create such an amazing model of community development that recognizes that one size fits all strategies don’t work. You get motivated community members that say—‘we see your criteria but it’s not fitting us’ and they are empowered to make the necessary changes to make it work for them. They know their community better than we could possibly ever know but what Sask Sport can offer them is that sage advice. This worked well for this community which is similar to yours.” This woman applauded Sask Sport for its efforts to try to bring everyone to the table. “The Aboriginal file has been integrated throughout the organization. I can exist in every facet of this organization. We’re not just at the corner of the table anymore. There are public service agencies that can’t do this. This is an amazing feat.” Aboriginal sport development, she truly believes, is not just a special project for Sask Sport because First Nations and Métis people are involved in the planning stage. “There are organizations that have been around for hundreds of years that don’t understand representation or diversity hiring.”68
Non-Aboriginal people also spoke about how their consciousness of social inequality was raised by sitting on provincial organizations which were mandated through the lottery agreements to make progress to increase participation of underserviced groups. First Nations volunteers and staff in the amateur sport sector spoke with pride about how lottery funds have been used to build an Aboriginal sport system that is the envy of other provinces. They described efforts made by Sask Sport to make system changes which invite full and active participation by Aboriginal people. Numerous participants also detailed their involvement in the development and delivery of innovative programs which they believed to be responding to real community needs. The programs they talked about aim to build capacity and resources within communities which have traditionally been lacking because of poverty, racism and other forms of social inequality. Table 8.3. summarizes the quotations and axial codes that can be attributed to the theme of social inclusion.
Table 8.3: Strengths of the System—“Social Cohesion and Community Development”

<table>
<thead>
<tr>
<th>Interview Responses</th>
<th>Open Codes</th>
<th>Axial Code</th>
<th>Selective Code</th>
</tr>
</thead>
<tbody>
<tr>
<td>“It allows volunteers to make the decisions” (CRA-2).</td>
<td></td>
<td>Shared</td>
<td>Community building</td>
</tr>
<tr>
<td>“We had to train people to be role models and mentors (SA-1).</td>
<td></td>
<td>decision-making</td>
<td></td>
</tr>
<tr>
<td>“Government always lagged behind awareness of what the community needs are” (SA-1).</td>
<td></td>
<td>Community resources</td>
<td>Responding to Community Needs</td>
</tr>
<tr>
<td>“We don’t have the same kind of bureaucratic boundaries” (SA-2).</td>
<td></td>
<td>Ear to the Ground</td>
<td></td>
</tr>
<tr>
<td>“When the government said we want you to do more on the Aboriginal side, we had the policy levers to make that happen” (CS-11).</td>
<td></td>
<td>Flexibility</td>
<td></td>
</tr>
<tr>
<td>“I can exist in every facet of this organization” (First Nations Woman-SV-26).</td>
<td></td>
<td>Mandated</td>
<td>Social Cohesion and Community Development</td>
</tr>
<tr>
<td>“Individual initiatives do not lead to structural change” (First Nations employee, SA-7).</td>
<td></td>
<td>Social Responsibility</td>
<td></td>
</tr>
<tr>
<td>“Sask Sport gave me a bigger perspective on the need to work together and share resources” (SV-17).</td>
<td></td>
<td>Systemic change</td>
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<td></td>
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<td>Empowerment</td>
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<td>Consciousness raising</td>
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<td></td>
<td>Education</td>
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</table>
8.2.3 PROGRAMS THAT DEVELOP BONDING SOCIAL CAPITAL

A number of Aboriginal leaders described the importance of funding initiatives such as the First Nations Games, the North American Indigenous Games and other programs that build the volunteer capacity of First Nations communities. One participant described the reality facing First Nations youth with the closure of the Residential Schools. Like thousands of First Nations people across the country, this individual was taken away from his parents and community at a young age. He discovered that the best way to endure the abuse of the residential schools in the 1950s and 1960s was to get involved in sports.

We had an incredible number of First Nations athletes come out of the residential school system. It was a real refuge for us. ... Those that were athletically gifted were treated a lot better than those that were not. So it provided us an opportunity to work hard and excel in those areas because you got preferential treatment. In those schools, in our little house leagues, there was fierce competition because they selected the travelling teams. You always wanted to be on the travelling team at residential school, in whatever sport.69

While this First Nations leader was certainly not sad that the residential schools eventually closed he believes that one of the repercussions of the closures was that there was no infrastructure left for First Nations children to get involved in sport. The kind of community development that had taken place throughout Saskatchewan to enhance participation of children in sport, culture and recreation, both in urban and rural areas, did not occur in First Nations communities because of the restrictions of the Indian Act and the abuses and turmoil caused by the residential schools.70

A Métis woman who was recruited by another volunteer to sit on the Sask Sport board of Directors recalled that the relationship with the Aboriginal community was strained when she first started attending board meetings in the early nineties. “It was challenging to keep the Federation of Saskatchewan Indian Nations and the Métis Nation
of Saskatchewan at the table and talking and it was difficult to find committee members.”
But she said that out of these challenges some innovative programs were born and other already existing programs were broadened to include First Nation and Métis communities.  
In 1993, a new lottery agreement was signed with the Saskatchewan government which saw the nine provincial Tribal Councils that are part of the Federation of Saskatchewan Indian Nations added to the Minister’s Eligibility List. This qualified them to receive ongoing funding from the lottery trust fund to allow the tribal councils to hire sport, culture and recreation coordinators. The major objectives of the new Tribal Council Coordinator’s program were to increase the number of volunteers to assist with the management and coordination of sport, culture and recreation programs and services, provide training and opportunities in the area of leadership development, and increase participation within First Nation communities.

One of the major impacts stemming from the Tribal Council Coordinator’s Program is that it helped elevate participation rates and the level of competition in the First Nations Winter and Summer Games in Saskatchewan. The Saskatchewan First Nations Games were introduced in 1974 by Chief Tony Cote and the council and membership of the Cote First Nation. One of the first people hired under the Tribal Council Coordinator Program said there was no question in his mind that this program has had a major impact in improving the First Nations Games program in Saskatchewan. He stressed the importance of these games, but was careful to reinforce the message that the First Nations Games was not a force for segregation. “These games are there for participation of First Nations children who normally would never make the Saskatchewan Games. This is their opportunity to get introduced to sport, take it to a little higher level.
and then hopefully pursue mainstream sports. The bottom line is that our people are more comfortable participating with one another. There’s less culture shock, there’s less fitting in.”

A First Nations woman who sat on Sask Sport’s Board of Director echoed these sentiments. “People are looking for a place of comfort,” she believes. “The First Nations Games pulls communities together.”

Another prominent First Nations volunteer believes Saskatchewan, through the lottery system, has done more to support First Nations and Métis sport development than any other province in Canada. “We are probably the best in Canada as far as I’m concerned. We invested the most money and we’ve had the best results.” Like others who offered their time to share their perspective on this topic, he applauded Sask Sport for putting resources into programs to help improve the First Nations Summer and Winter Games programs. He believes that the amateur sport federation has taken the right approach in working with First Nations communities. “They have allowed us to be autonomous, allowed us to do what we feel is right for our own people versus taking a paternalistic approach which I know government would have done. You do this, you need to do this.”

8.2.4 BRIDGING SOCIAL CAPITAL

The lottery-funded sport, culture and recreation system in Saskatchewan has also helped serve as a bridge between mainstream communities and underrepresented sectors. This example illustrates this point. A former President of Sask Sport, who was a senior administrator in the education system, spoke proudly of the efforts he made to offer the resources of his school division to Aboriginal leaders when they were organizing the First Nations Games. He also recounted a conversation he had with the general manager of
Sask Sport when his term as president was over. He was especially passionate about a program which was initiated during his time on the board of directors called Dream Brokers and he offered to help introduce this program to his school division if funds were ever available to expand it in other communities. “Sask Sport gave me a bigger perspective on working together and sharing resources and that it’s all interconnected so when I get in a position like I’m in, sharing our resources with the broader community, whether its First Nations or new Canadians.”

Sask Sport is quick to acknowledge the support their former President provided the children of Saskatoon and the province through his support of the Dream Brokers program and the Saskatchewan First Nations Games. Unfortunately, not all school boards across the province have been as cooperative in working with First Nations communities in hosting large sporting events like these. Thanks to this volunteer and the influence he wielded as Director of the Public School Division, when the Saskatchewan First Nations Games were held in Saskatoon school gymnasiums across the city were used as accommodation for the athletes. Organizers of the North American Indigenous Games that took place in Regina in 2014 were not afforded the same treatment. Athletes had to stay in hotels, incurring the Games organization and First Nations communities millions of dollars. This is money people in the amateur sport community believe could have been put to far better use through expansion of programs and opportunities for young people.

The Dream Brokers program was not an initiative of Sask Sport. Instead, volunteers who helped organize the 2005 Canada Games in Regina came up with the idea for this innovative program. The individual credited by many people for coming up with the concept of this program was a principal at an inner-city high school in Regina. He
recalled a “blue-sky” session he had with other volunteers to discuss options for using the profits from the Canada Games. It was out of these informal discussions that the idea arose to hire staff that would become connected to the schools who would act as a liaison or “Dream Broker” to connect families to existing programs. At one point, this individual said he counted about 80 agencies, just in north central Regina, all doing good work, but often working in isolation of each other. The last thing he said they wanted to do with any legacy funds was to duplicate programs that already existed.

What was missing from a school perspective was somebody to connect the agencies with the families. We weren’t necessarily needing more money to provide the equipment or pay for the lessons because KidSport and a number of agencies had funds available. The students just needed somebody who could connect them to the opportunities already existing in our city—someone who could help them with the registration forms and facilitate transportation to the activities.79

A former employee of Sask Sport who was part of the team of people who helped establish the Dream Brokers program spoke about how it helps families who face barriers in getting their children involved in existing activities. This individual, a First Nations person who was born and raised in Regina’s inner city, believed that the most important aspect of the Dream Brokers program is that it teaches people how to access the sport, culture and recreation system. He said that many people did not know what’s available to them and how to access programs and services. The Dream Brokers helped to point out where the opportunities are and support children and families through the whole process of trying a new activity. They often accompanied them to the activity and made sure that their first visit was a welcoming experience.80

The teacher who came up with the original concept for the program echoed this assessment. “You have to remember that a number of families won’t ask,” he stressed.
“The confidence, the assertiveness or even the hope is not there and so they just work with what they have directly in front of them. They are good, respectful people. Many just don’t want to be perceived as expecting a hand-out. The Dream Brokers step forward and respectfully get them connected and engaged.”\textsuperscript{81} It was a Dream Broker’s responsibility to understand where the opportunities are, to inform the parents and inform the agencies, and bring the two of them together. They acted as a go-to-person for the teachers — who do not have the time or sometimes the knowledge of the resources available or how to get students involved in extracurricular activities outside of school hours. “Teachers know that the more engaged children are in after-school activities, the more engaged they are in school and the less opportunity there is to find negative behaviours,” said the program’s founder. “In order to be eligible for the Dream Broker incentive you have to attend school. When students do, they’re applauded, awarded, affirmed and there’s an incentive realized.”\textsuperscript{82}

The Dream Brokers program proved to be such a success that at the end of the four years when the money from the Canada Games was spent, everyone turned to Sask Sport to assume responsibility for the program and expand it to other communities. At this point in time none of the partners involved with Dream Brokers except Sask Sport were in the position to take over the responsibility for overseeing the program. School divisions no longer had the flexibility or available resources to put money into the program. The City of Regina was also not in a position to take on new initiatives. Collectively the group looked to Sask Sport to take the program. Sask Sport was reluctant to take the lead role with this initiative because their philosophy has always been to support the work of others who are running community-based programs. “This model
didn’t work for the City or the School Divisions so thankfully Sask Sport agreed to take
the program on,” said the teacher whose vision it was to create this program, “because
they were the only player at the table who seemed flexible enough to make it happen.” 83

Not only did Sask Sport make the decision to continue to fund the Dream Brokers
program in Regina but it has also expanded the program into Saskatoon and Prince
Albert. Sask Sport followed up on the offer of their former President who wanted to help
bring this program to his city. He was clearly excited when he spoke about the results of
the program. “With Sask Sport’s blessing we married the program to learning,” he said.
“So we opened those two schools to provide summer programming so the gyms are open.
But that’s half day. For the other half of the day we pay for a teacher because some of
those kids really need that extra help so they don’t lose some of their literacy and
numeracy skills over the summer. They get a couple of hours of instruction a day and a
couple of hours in the gym a day. It's that powerful.” 84

8.3 CONCLUSION

This chapter contributes to the theoretical discussion on social capital by documenting the
processes and institutional structures that characterize a funding model that facilitated
social cohesion and community development. These findings are important because an
understanding of the principles behind the design, delivery and accountability measures
built into lottery funding can inform policy analysts interested in reforming civic and
public institutions to invite more active community participation. Empirical findings from
this case study show how to create enabling environments that allow community leaders
to have meaningful roles in decision-making processes, accountability and support for
publicly funded programs. Evidence shown in this chapter also corroborates what many voluntary sector scholars have long argued. When nonprofit organizations are provided with a stable source of long-term funding, instead of insecure, project-based funding, they have the flexibility they need to plan for the future. Such stability allows organizations to respond more quickly and effectively to local needs than government can through top-down, centrally imposed policy prescriptions.

Despite the many successes that can be attributed to this funding model, there are still numerous unmet needs and challenges facing sport, culture and recreation in Saskatchewan. This is the subject for the next chapter, which explores the suggestions participants in this study had for how various institutions within the larger lottery system can be improved. As we will see, many of the problems that were identified, particularly in the amateur sport and recreation sector, are linked to broader societal problems like poverty, education and health.

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1Katherine Scott, “Pan Canadian Funding Practice in Communities: Challenges and Opportunities for the Government of Canada,” (Ottawa, ON: Canadian Council on Social Development, June 2006), 2.
4Scott, “Pan Canadian Funding,” 2.
5CRA-15.
6CRA-16.
7CRA-5.
8PSGB-15.
9SA-14.
10CRV-6.
12CS-11.


Salina Barry, Chief Financial Officer, “Operating Expenses as a Percentage of Contribution Margin (Sales less prizes and commissions) for All Lottery Jurisdictions,” briefing material used during 2005 lottery license negotiations, 2005, Regina, SK, Sask Sport, shared with author June 24, 2015. Operating expenses for the WCLF in 2003, which is the most recent year for which cross-national statistics were gathered, were 16.35%. This compares with the Atlantic Lottery Corporation which had a high of 37.75%; Loto Quebec with expenses of 25%; Ontario Lottery Corporation with 18.97%; and British Columbia Lottery Corporation with 18.29%.


The previous chapter reviewed the strengths of the lottery-funded sport, culture and recreation system in Saskatchewan. The focus will now be turned to challenges that are facing these sectors. Despite the many accolades it received, when pressed, most participants were able to offer thoughts on improvements that could be made to strengthen the system or address issues facing one or more of the institutional partners. The challenges that were identified fit into two categories.

The first group of challenges fall into the realm of what public policy scholars define as “wicked social problems” — issues that are so complex and multidimensional that solutions are not easily identified. So called “wicked problems” exist across traditional departmental or disciplinary lines and often span jurisdictional and political boundaries.¹ Such problems cannot be solved in a finite period of time with prescribed solutions.² Horst Rittel and Melvin Webber are credited for coining the phrase “wicked social problem” and their 1973 article identifies a number of properties that distinguish wicked problems.³

According to Rittel and Webber, there is no way to write a well-defined statement of a wicked problem. It is difficult to know when you have reached a solution to a wicked problem because in contrast to ordinary problems, solutions cannot be objectively evaluated as right or wrong. The wicked problem can be explained in numerous ways and choosing a solution typically involves the imposition of judgement and moral values. With ordinary problems it is usually possible to determine right away if a solution is
working. Solutions to wicked problems, however, often generate unexpected consequences over time, making it difficult to measure their effectiveness. Ordinary problems come with a limited set of potential solutions. Wicked problems are more complex. They involve many stakeholders, who all have different ideas about what the problem is.  

The first part of this chapter will explore why state support of sport and recreation through gambling revenues is a “wicked” policy arena. This section will begin with a discussion of how the multi-level governance structure of the national and provincial sport and recreation sectors in Canada make reaching a consensus on priorities and policies in these areas challenging. The latter part of the chapter will examine the second group of challenges facing amateur sport and recreation organizations. Such issues are faced by most institutions and can usually be addressed internally. These are challenges that can be more easily addressed through concerted attention by the umbrella organizations that serve the interests of sport, culture and recreation associations in the province.

9.1 SPORT AND RECREATION AS “WICKED” POLICY ARENAS

Many of the policy considerations that are associated with sport development display the characteristics ascribed to wicked policy problems. Tensions exist between broader policy goals such as generating economic growth and developing national or regional identity and decreasing health expenditures and promoting social integration. At the one end of the spectrum lies the objective of encouraging mass participation and ensuring that the opportunity to experience the benefits often thought to be associated with amateur
sport are available to all segments of the population. At the opposite is the increasingly contested belief that support for high performance sport and elite success (as evidenced through medal wins), is directly linked to community pride and cohesiveness.\(^5\)

9.1.1 MULTI-LEVEL GOVERNANCE

The ability to get to the root of these policy dilemmas is made more difficult by the complex and fragmented approach to policy making in sport and recreational physical activity, a result of the multi-level governance structure of the sector. Multi-level governance refers to the various mechanisms of public policy and decision making among different levels of government and the inter-play between numerous authority structures within governments and civil society.\(^6\) The *Constitution Act of 1867* sets out the respective powers of the federal and provincial levels of government that continues to have an impact on sport policy in Canada. There is a great deal of overlap in jurisdiction between the federal and provincial governments in matters related to sport and physical activity. However, it has been accepted that the federal government has primary responsibility for international sport excellence, international sport relations, sport research and sport for recognized First Nations and Inuit. Since provincial and territorial governments have exclusive jurisdiction over property and civil rights and education, as well as matters considered to be of local nature, mass sport and recreation and health and fitness fall under their purview.\(^7\) One way the federal government has had an influence in these areas is by playing a leading role in bringing the provinces and territories and other interested parties together to set national priorities for the sport system. In this capacity, the federal government has also negotiated and entered into a number of cost-sharing agreements with the provinces over the years.\(^8\)
Although operating under provincial laws and authorities, municipalities and other types of local government form a third type of government that is very important to sport and sport-related physical activity. In terms of overall expenditures, municipalities invest a much greater proportion of funds to the sport system than the federal or provincial governments. They contribute to the system through the construction and maintenance of facilities as well as subsidies to local sport organizations. Since the Constitution Act stipulates that municipalities are under the control of the provinces and have no independent constitutional authority, the federal government can only interact with municipalities if approved by the provinces. The main reason for interaction is the provision of federal funds to host major national and international events, including support to build facilities that will be used by the communities that hold them long after they are over.9

Questions of jurisdiction over sport and recreation are even more complicated than this simple depiction would suggest. Because of the identification of physical inactivity as a national health risk, the federal government has developed programs and policies to promote active living even though the provinces have primary jurisdiction in this realm.10 Similarly, some provinces have chosen to place the same emphasis on high-performance sport as the federal government in order to place members on national teams and to increase their medal counts at national events.11

Due to this multi-level governance of the voluntary sport sector in Canada, there is a complex and decentralized web of organizations located at the national, provincial and local level with no single national sport body co-ordinating a vast array of predominantly community-based organizations. Nor is there a central body that
represents the interests of the national sport organizations even though a number of multi-
sport/service organizations like the Coaching Association of Canada and various game
organizations like the Canada Games Committee and sports federations such as Athletics
Canada provide some level of horizontal co-ordination. The level of co-ordination
remains weak, however, because each organization is responsible for different functions
and crosses different jurisdictional boundaries. Figure 9.1. shows the structure of
Canada’s voluntary sport sector. The structure of Saskatchewan’s sport sector is shown in
Figure 9.2.
Figure 9.1. Structure of the Voluntary Sport Sector in Canada
As adapted from Bergsgard et al. (2007, 93) and Hall (2003, 162).
Figure 9.2. Amateur Sport System in Saskatchewan
As adapted from figure provided by Sask Sport, 2015.
9.1.2 BALANCING PRIORITIES

To receive core funding from lotteries, provincial sport organizations are expected to offer programs that encourage wide-spread community participation. At the same time, they must also provide opportunities for more talented and skilled athletes to progress in their disciplines through access to more rigorous training and opportunities to gain competitive advantage. Since there is a finite amount of resources, there will always be a push-pull between these dual objectives. This was apparent in the interview and focus group transcripts for this study. The outlooks ranged from those who believe the focus needs to shift to recreational sport to others who believe more resources should be invested in high performance sport.

For instance, one former civil servant was firm in her opinion that there is too much focus in the current system on high performance sport. “I would make recreation the umbrella because it is the municipal infrastructure within which people can participate in the continuum of activity from recreation to competitive. Sport would be a subset of that.” She revealed that she resigned from the KidSport Board of Directors because of what she perceived as structural problems of the current amateur sport system.

The reason I resigned was my inner conscience could not allow me to give some kid $400 for the year to participate in a hockey camp when I knew they would never, ever be able to participate in that hockey programme. So in my mind, what we were doing was we were introducing those kids to what they can’t afford. ... We talk about that sport-for-life model but there isn’t a foundation. It should be connected to the school system where you learn basic gymnastics. You learn how to run and jump and throw, all those elements, and then you choose to be an athlete if you want to versus becoming an athlete at age three.13

Participants in the focus groups with PSGBs staff also reflected on what they saw to be a disconnect between recreational physical activity and the organized sport system. Those representing sports that were linked to the education system or were not reliant on
expensive facilities or paid coaching said they had less difficulty servicing communities considered at-risk or low income. Others said that servicing these communities was next to impossible. “The bulk of the Aboriginal community can’t afford our sport. Most middle-class people can’t afford our sport anymore. I get the whole thing — it’s good for society to have these people involved but perhaps they shouldn’t be putting that on the competitive PSGB.”

Another individual was even firmer in her resolve that there was no role for these types of participatory objectives in her sport. “We’re a very elitist sport. It’s a very technical sport.” She characterized the attempts to introduce at-risk or low income children to her sport as pointless. “Funding is not the issue because we have grants that we provide to these organizations to take the bus to our [facility] but it’s a kind of one-off thing. These kids come and have a great time for five weeks but it’s hard to make lasting change because eventually they’ve got to start paying. It’s not changing their life or changing our sport because it’s really hard to make it sustainable.”

Some wondered whether Sask Sport was the right mechanism for funding recreational physical activity, typified by this comment from another provincial sport representative. “Perhaps for some sports that funding should be directed to Parks and Recreation for community-based programming.”

There was general realization by sports administrators that there are finite resources available to amateur sport. This was not something they blamed Sask Sport or the lottery system for. However, general frustration was expressed by most of the individuals in the focus groups with what was portrayed as the expectation that “we are responsible to look after the whole sports system and to report back and measure the
whole sports system, with really, no more resources”¹⁷ or as another person put it, to be “everything for everybody” with the result being “we end up doing a bunch of different things half assed.”¹⁸

Many of the executive directors that were in the focus groups voiced the concern that Saskatchewan seems to be falling behind other provinces in terms of its ability to compete in high performance sport. This was a much weaker theme in the interviews with Sask Sport staff and amateur sport volunteers who usually emphasized the importance of community-based sports initiatives if they weighed in on this debate. Representing this end of the spectrum was this former President of Sask Sport who believed that Saskatchewan was not producing the number of elite-level athletes it once was. “I don’t think we need to give up the really important grassroots efforts but we need to rethink our accountability in the high performance sport area.” He went on to speak about the Sask First Program that Sask Sport invested in during the years leading up to the Canada Games that took place in Saskatoon in 1989, as did this employee of the sport federation who said:

Just take the Canada Games in ’89 in Saskatoon. That’s the best we ever did. Well, we invested within this province. We invested a ton in bringing coaches into the province. No matter what the sport, we kind of went after them and brought the best people we could, whether it was rowing or wrestling or basketball. I think we know we need to have that investment again in coaching.¹⁹

The program this individual was referring to channelled $10.4 million in lottery funding to high performance sport over a period of four years to the provincial sport governing bodies that competed at the 1987 Canada Games in Nova Scotia and the 1989 Canada Games in Saskatoon.²⁰ Many people who were interviewed for this project believe that having a Minister responsible for amateur sport that was an elite athlete
himself was a key factor in why this level of funding was directed to high performance
sport during this period. Rick Folk was a world-champion curler who was appointed
Minister of Culture and Recreation in 1983. Just before he joined the provincial cabinet,
his team won the Canadian Mixed Curling Championships. Previously the rink he led had
won the provincial men’s championships in 1978, 1979, and 1980 and took the Canadian
crown in 1980. At the world championships in 1980 his rink went undefeated to capture
the Silver Broom—an honour that saw them inducted in the Saskatchewan Sports Hall of
Fame that year.21 One of the first events Folk went to as Minister was the Canada
Summer Games in Saint John’s, New Brunswick. That year, Saskatchewan finished
eighth out of 11 teams. “I wasn’t too proud of the way Saskatchewan did at those games,”
said Folk. “Being a sports guy myself, that liked to win and worked hard to win, I wanted
to support Saskatchewan athletes. I thought if our athletes weren’t getting the proper
training and the proper competitive fields, then maybe we should get that for them.”22

Saskatchewan had never placed better than sixth overall at the Canada Games. It
was clear to many people in the sport community, including Folk, that athletes from
Saskatchewan were performing poorly, and that there was the need for an all-around high
performance development program. Folk returned to Saskatchewan and issued a
challenge to provincial sport governing bodies to achieve their peak performance at the
Canada Summer Games held in Saskatoon in 1989.23 Sport governing bodies were asked
to identify what was necessary to create the environment, resources and opportunities for
Saskatchewan athletes to significantly improve their performance and team standings at
future games.24
A common theme that emerged from interviews with participants who supported an increased investment in high performance sport was the perception that medal winning performances lead to increased recreational participation. Therefore, a broad base of participants is needed to discover and develop talented athletes who can move up through the high performance sport system. The former coach and Sask Sport volunteer President who elaborated this theme was very clear in his belief that a successful sport system requires that support be provided to those athletes who have the potential to do well on national and international stages.

You need the people at the very top because I think they inspire others. How many kids took up speed skating when they saw Catriona LeMay Doan do amazing things? It’s those kinds of things that get people excited. You know—my generation watching Hockey Night in Canada on Saturdays—how many people wanted to be a hockey player and scored winning goals on their street?

Perceptions like this have been perpetuated by the federal government and national organizations like Canadian Sport for Life, which claim that mass participation sport and high performance are linked via the ‘pyramid’ – the idea that a broad base of participation is necessary in order to discover, and develop talented athletes who can rise through the ranks. However, numerous sports policy scholars have shown that there is very little substance to this claim. Research has shown that in some cases participation in a sport actually decreases after the success of a national team’s athletes. Furthermore, systems of talent identification and selection that are now widely used throughout Canada and many other countries avoid the need for a broad base of participation. Children who show talent in sports with well-established high performance systems are moved into separate competitive systems early after their introduction to the sport. Parents are expected to pay for travel, equipment, coaching and other costs associated with...
developing athletes until they are eligible for other forms of government or National Olympic Committee support. Research shows that the result is a narrower segment of the population has the opportunity to excel in many sports. One study in Britain, for instance, showed that private school students constitute between seven and eight percent of the population, yet an estimated sixty-five percent of the British Olympic Team in 2012 went to private schools.27

9.1.2.1 “Sport for All” and Mass Participation Goals

In many countries, governments support to varying degrees, directly or indirectly “Sport for All,” in other words mass sport participation policies. The objectives of this broad policy largely go unquestioned. The assumptions underpinning the policy include the belief that sport teaches people desirable values like respect for others, how to co-operate and work as a team, and fair play. In addition, sport is seen as a way to improve population health and in some societies as a means of keeping youth out of trouble.28

When the Saskatchewan government made the decision in 1974 to allow the amateur sport community in the province to benefit from lottery revenues, it did so with a clear conception of the government’s role in sport development. When interviewed in 1977, Bill Clarke said: “We both know [Sask Sport and government] what our roles are. We see that government should be funding or organizing for mass development or participation. That’s what government is really for — people’s money for people—that Sask Sport should be dealing in the area of excellence.”29

The province would fund, through the tax system, opportunities for Saskatchewan citizens to participate in competitive games environments like the Canada Games. Civil servants were hired to take a leading role in organizing regional and provincial games.
Before the lottery was fully developed and the funding to the sector increased, provincial
sport governing bodies could not afford to develop programs, to train coaches and
provide all the other supports necessary for the amateur sport system to flourish.

According to one of the civil servants who worked for the Department of Culture and
Youth at the time:

None of the volunteers had the time to put in to doing a comprehensive coaching
strategy for their coaches across the province. When all the funding increased
they were able to hire Executive Directors, provincial coaches and program
developers. All that used to be in the department. We would meet with the
provincial sport governing bodies and offer assistance in the way of grants. We
had all the money. As the lottery money went up, government funding came
down. Now instead of government doing all of this work, it’s the sector itself
that is doing it.30

Support for such initiatives was perceived by the provincial government less as a
support for high performance sport than as a way of encouraging mass sport and
recreation. The Minister responsible for amateur sport from 1972-1977, the Honourable
Ed Tchorzewski, described the government’s objectives during a speech made to a
gathering of sport representatives. According to Tchorzewski, “Talented athletes should
be developed — not as stars, but as true representatives from a province where sports are
part of life for the many and not the few.” While Tchorzewski acknowledged the
Saskatchewan and Canada Games programs provided opportunities for top athletes to
continue progressing in their sport, the more important outcome of these Games was that
these events would serve to “[influence] ordinary people to be more than passive
spectators because they can come to know the satisfaction and enjoyment of sport
through participation.” In his view, the “province, as a whole, benefits because of
happier, healthier and more active people.”31
As lottery revenues increased over time and the province cut expenditures to sport, Sask Sport began to take more responsibility for mass participation programs. When the organization went through a strategic planning process in 1981 one of the most notable recommendations was that Sask Sport should begin to take a larger role in grassroots development.\textsuperscript{32} When the Long Range Planning Committee made its report at the Annual General Meeting the following year, it noted that Sport Canada, Saskatchewan Culture and Youth, and the universities appeared to be moving in the direction of providing more support to elite athletes.\textsuperscript{33}

Even the manner in which funding flows to high performance sport in Saskatchewan is based on a broader conception of participation and diversity of choice in sport than some other jurisdictions have. According to an employee charged with directing high performance sport programming at Sask Sport, “It would be easy for Saskatchewan to pick a couple of sports and give them a lot of support but that’s never been our philosophy. It’s always been a ‘go wide’ approach and it shows with the total number of sports that we’ve supported.” This employee proudly pointed out that Saskatchewan’s Olympic representation for 2014 was solid and that the province consistently sends more athletes that its share based on a per capita population count: “We’re about three per cent of the population and we’re generally always above that three per cent of the Olympic team.” Though the province might have some consistent sports where it excels at the national or world stage, more importantly in his mind is the fact that “a wide range of athletes from a number of different sports have made it through the amateur sport system in Saskatchewan to the top levels of their sports.”\textsuperscript{34}
9.1.2.2 Population Health

Interviewees who spoke of the need to direct more resources to community-based sport questioned how much the amateur sport system could do on its own to address societal trends like increased inactivity, rising rates of obesity and poverty in First Nations communities. For instance, Saskatchewan’s population is growing faster than most other Canadian provinces. There has also been a significant demographic shift in recent years. The province’s population is becoming more culturally diverse with the continued growth of the First Nations and Métis youth demographic (about 40 percent of the Aboriginal population is young, ranging from 0-19 years) and increased immigration. Both these population bases face much higher rates of poverty than other sectors of society.  

Like the rest of North America, Saskatchewan also faces an epidemic of obesity and inactivity and efforts to reverse these trends are daunting. Over half of status First Nations youth in Canada live in poverty. This figure jumps to nearly two-thirds in Saskatchewan. By practically every measure of wellbeing: family income, educational attainment, crowding and homelessness, poor water quality, infant mortality, health and suicide, First Nations and Métis children trail the rest of Canada. Thirty-three percent of immigrant children in Canada also face the many problems that come with living below the poverty level.

Approximately one in four Canadian adults is obese. In Canadian children aged 6 to 17, close to 9 percent are obese. Saskatchewan itself has an overall obesity rate of 31 percent, second only to Newfoundland’s rate of 34 percent. High obesity rates are found within children as well; 29 percent of children in Saskatchewan are obese, which exceeds the national rate of 26 percent. Furthermore, only 51 percent of Saskatchewan children
aged 5 -14 years of age are regularly involved in a meaningful sport activity.\textsuperscript{38} The link between sport and exercise to good health is widely accepted. There is also a strong correlation between social and economic barriers and the ability to participate in sport and recreational physical activities. Issues like these are difficult to tackle without broad-based support and coordination between the lottery-funded sport sector with government, public agencies like the health regions and public school boards and other civil society organizations.

9.1.2.3 Changing Nature of Volunteerism

Another challenge that participants identified was the changing nature of volunteerism. Statistics Canada has reported that Saskatchewan has the highest rate of volunteerism in the country, with 58 percent of adults aged 15 and over doing some form of volunteer work in 2010.\textsuperscript{39} Despite leading the nation in the number of volunteers it has per capita, amateur sport and recreation organizations face the same struggles as their counterparts in other provinces to retain and recruit people to coach teams, to manage events and handle administrative functions for community-based organizations. As rates of volunteerism decline, the cost to participate in amateur sport also continues to climb. With these escalating costs it is becoming more difficult than ever before to provide access to all segments of the population to recreational sport and other activities that contribute to healthy lifestyles. Amateur sport—even once athletes start moving to the high performance levels of their sport—will always depend on volunteers. Coaches and officials, parents and grandparents who drive kids to practices, tournaments and competitions, those who sit on boards of directors for their local and provincial sport
organizations, and those who do the other small, but necessary tasks that allow athletes to progress in their sports, are all important to amateur sport.

One executive director of a provincial sport governing body described the challenges facing her sport—challenges many other participants also referenced. She said:

We have great volunteers in [our association] but people don’t necessarily volunteer for something and stick with it. They want to volunteer short periods of time. When I started working sixteen years ago we would have board members that served for ten years. Our clubs do the most of the volunteer recruitment but we’re seeing that they need help to figure out how to recruit and how to engage volunteers and how to keep them involved because the lady that would bake pies every week is just not doing that anymore and no one is replacing her.40

Participants felt several factors were to blame for this, including people having less free time than they did in the past. This perceived lack of time means that more people opt to pay additional fees to have their kids in sports instead of volunteering for bingos and other fundraisers that make their clubs money. As one PSGB employee said, “Saskatchewan has an army of volunteers, absolutely, but not the same level of volunteer. I just think about myself as a parent having volunteered with my kids and what my kids are doing with their kids. The commitment is not the same. I jumped through hoops to do what we could for the swim club but that doesn’t happen anymore. You don’t see that because people are volunteering where it’s best for them — perhaps not what’s best for the sport or the organization.”41 Another person made much the same comment, “I think what’s changed is money. I couldn’t afford to pay so I had to volunteer my time at bingos and to make sure that that structure survived.”42
9.1.3 GOVERNMENT’S ROLE IN POLICY DEVELOPMENT

In theory, the provincial government and the three global umbrella organizations for sport, culture and recreation are partners in policy development. They negotiate the terms for the lottery license agreements and a consensus of opinion is reached on the public policy directions which are to be taken with this funding. In the past, civil servants worked closely with the lottery-funded sectors, providing ongoing input into policy direction. Regionally-based government employees worked with volunteers at the grassroots level to develop systems at the community level to deliver public programs.

Beginning in the mid-1980s, programs formerly delivered by government and funded through the tax system, were transferred to the voluntary sector. Resources and positions within government dedicated to policy development and oversight of the sport, culture and recreation sectors also began to be withdrawn. Senior leaders in Sask Sport, SaskCulture and SPRA believe this has been a positive development. They argue that their organizations are better positioned than government bureaucrats to take the lead on policy development. As member-based organizations, rooted in the community, and accountable to elected volunteer Boards of Directors, arguments can certainly be made that these organizations are correct in this assessment.

Without exception, everyone who weighed in on the subject of government’s role in these sectors voiced the opinion that devolution of programming to the umbrella organizations has been a largely positive development. However, some people were harsher than others in their assessment of how successful the provincial government had been in refashioning its role into that of a policy secretariat. Some believed the Ministry could have done a better job in developing sport, culture and recreation policy. They
believed it is difficult to find appropriate people because sport, culture and recreation is seen as a low status ministry for this perception.\textsuperscript{43} Other informants believed that more resources were needed within government to fulfill the necessary policy function.\textsuperscript{44}

At the same time, not one interviewee or focus group participant felt the fundamental nature of the system should change. The words of this former civil servant are reflective of this belief: “They don’t need to change the model. Government just needs to take a more active role in the policy guidance that comes with the license.”\textsuperscript{45} There is reason to accept this argument. Each of the umbrella organizations publicize innovative programs and outcomes within their sectors. However, limited, if any, research has been conducted to back these claims up. As this former lottery-sector liaison revealed: “There’s no evidence-based research being done in any of the three globals to justify their program expenditures.” By way of an example, she suggested a longitudinal study should be conducted on the children who participate in programs like Dream Brokers. “We need to know what the impact is so that we can actually show that this is a need-to-have, not a nice-to-have. That’s not happening.” Another reason for doing evidence-based research like this, she stressed, is that it may be necessary to use in the future if attempts are ever made to change the system.\textsuperscript{46}

Numerous people questioned how well conceived and planned the cuts to government were in these areas. Political leaders and senior bureaucrats claimed they had a long-term “vision” to devolve government programs to the communities and that this was developed with the sectors themselves.\textsuperscript{47} Civil servants who remained after their colleagues were fired contradicted this. “It seemed like ‘a death of a thousand cuts’.”\textsuperscript{48} Another executive in the department was especially harsh in her assessment. “The
decision on the part of government to eliminate any kind of community development support was not researched in the least. I was there. There was no research done on what would be the impact on the community. The decision was made and one day they were gone and so all of those associations that were out there were left struggling.”

Others said they supported and appreciated the efforts to move programs to the voluntary sector. However, they believed the system’s conversion was less smooth or well-planned than was publicly portrayed. “As a person who has worked at the community level,” one of the few remaining civil servants said, “the transition wasn’t really that well done because some of the things we [government] used to do all of a sudden weren’t happening. It was tough to work through those first few years and the corporate knowledge was gone just like that.”

Although many civil servants felt the provincial government should play a stronger policy role in the sport, culture and recreation system in Saskatchewan, this sentiment was tempered by the understanding that any moves in the direction needed to be carefully managed. “Could government play a stronger role?” asked one former senior bureaucrat, “I think they could, but they’ve have to do it carefully and diplomatically because you don’t want to diminish the ownership that people have in the system.”

9.2 MORE EASILY ADDRESSED ISSUES

Participants in this study also pointed out a number of more easily addressed problems facing Saskatchewan’s lottery-funded sectors. Issues like poor communication, worries about succession planning, concerns with governance structure and funding and accountability procedures, are common to many organizations. It was in the focus groups
with staff of PSGBs and PCOs that the most pointed critiques of problems such as these emerged. People attending these sessions indicated there are a number of operational issues that make it more difficult for them to do their jobs. While challenging, issues such as these, can be resolved internally. A problem like the need for new or refurbished sport and recreation facilities cannot be addressed by the sectors themselves. However, the way to address the issue is relatively clear. More money is necessary to meet current and future infrastructure needs.

There was general agreement among focus group participants about most of the organizational problems that were identified. However, many of the ideas for what SaskCulture and Sask Sport could do to address operational issues were offered with reluctance by some of the executive directors. The response from this PSGB representative was typical. “I don’t want to sound whiny because there are many things that are very, very good.” When it appeared that the tone was becoming too negative it was common for someone to interject with comments like this PCO representative: “I think a number of things could be really improved but in terms of my relationship with funders, in terms of who I want to deal with as a funder, they are my favourite by far.”

One of the most vocal and critical participants in the Saskatoon session with PSGB employees reflected that: “Right at the moment, if you were to look at it, 90 percent of everything is being done extremely well. The 10 percent that is not is occupying 90 percent of our time.”

Although employees who participated in the focus groups had more concrete ideas about areas that could be improved than people who were interviewed, they displayed a similar level of pride in the lottery system. It was striking how dominant this
theme was and that it surfaced in almost every interview and in every focus group, without being prompted. This level of support, for any public policy direction, is rare. It was because there was so little criticism of the system that so many interviews were conducted and why the study was broadened to include focus groups with staff currently employed by PSGBs and PCOs.

9.2.1 FUNDING AND ACCOUNTABILITY PROCEDURES

One of the themes volunteers and staff of Sask Sport who were involved with the organization in the late 1980s and early 1990s believed was the hallmark of their organization was the effort to consult widely with their members before developing new programs or implementing new policies, procedures or accountability measures. Pride was expressed about how the organization went to great lengths to understand the needs of member organizations and how this resulted in the development of more efficient and flexible application and accountability processes that eased administrative burdens without sacrificing responsible oversight. For instance, in the early days of the lottery Trust Fund, volunteers developed a series of categorical grants, adding new grants as lottery money increased. One former Sask Sport employee said, it got to the point where: “People had to submit a grant application for everything. It was a bookkeeping nightmare.” Volunteers with Sask Sport confirmed this.

A volunteer President of Sask Sport during this time period remembered that when he first joined the Board of Directors, sports groups were complaining about all the paperwork they had to complete and the subjective nature of the funding criteria. “We wanted to get it as much as we could to an objective thing. We had to get some kind of formula.” Achieving this, he emphasized, was no easy task.
Sports is everything from horseshoes to hockey. I think there were 72 sports governing bodies and some of them had a membership of two or three hundred and others had four or five thousand. I got a standing ovation at the annual general meeting because I said: ‘I promise you this—no matter what position I’m in next year on the board I will see that every sport has input into the sport profile.’ And I think we went through 75 or 80 meetings that year.

An employee who works in Sask Sport’s program division explained that, “The sport profile was an opportunity to change the categorical funding system to an annual funding system where organizations could qualify for core support and have more flexibility to use the money for different priorities.” He asserted there are common needs in all sports, including: developing coaches and officials; offering entry level programs; and providing opportunities to those who show they have the skills and commitment to progress to higher levels of competition. “Every sport has those kinds of things but they don’t all do things by the same cookie-cutter approach so our granting programs have to be flexible enough to meet their different needs.”

Strong sentiment was expressed by focus group participants of lottery-funded sport groups’ employees that the efforts Sask Sport may have taken in the past to consult with their members and respond to their input no longer meets the type of high standards that organizational leaders once expected. Significant time was spent in both the Regina and Saskatoon focus groups discussing problems they have with new procedures for grant applications and accountability measures that Sask Sport had recently implemented. Similar measures were also taken by SaskCulture with PCOs and cultural organizations were just as frustrated as their counterparts in the sport sector about the difficulties they were having.

Participants did not take issue with the need to have greater accountability for the funds their organizations received. Their biggest concerns were directed at new software
programs that crashed on a regular basis and because they believed some of the
procedures and expectations Sask Sport and SaskCulture had implemented were unclear.
The feeling among a number of the Regina sports representatives was that the attempt to
develop a standardized assessment tool is difficult, if not impossible. Lack of consultation
in the development of this assessment tool was also an issue with some participants.

There was a similar discussion in the focus group with cultural staff about the
difficulty with new application procedures and accountability measures. “My last
application took six weeks and was 120 pages long,” said one PCO employee. “And that
didn’t include the backup documentation. It was supposed to be simplified.”57 Another
executive director added that “[w]hen we asked questions [about the process] nobody [at
SaskCulture] could answer them. Nobody there knew what was going on.”58 Cultural
groups also questioned why SaskCulture needed some of the information it was asking
them for. “Their [SaskCulture’s] accountability to the organizations that receive funding
is minimal at best in terms of letting us know how they’re using the information, what the
processes are and the development of the processes. There has been a lack of clear,
transparent communication to those of us who are their beneficiaries.”59 Like their
counterparts in the sport sector, cultural employees believe there is a need to develop
application forms that allow for differences between organizations.

9.2.2 COMMUNICATION CHALLENGES

Employees of provincial sport organizations were generally more critical about the
relationship they had with staff at Sask Sport than the PCO staff were of Sask Culture.
Saskatoon PSBG participants were more critical than Regina participants of the general
corporate culture at Sask Sport. This might be attributed, at least in part, because the head
office for Sask Sport is located in Regina. Speculation was raised by the Saskatoon participants about how happy some of the Sask Sport staff are in their jobs because they felt some of them were taking their own frustrations out on the member organizations they are supposed to serve. One participant who has been in the job for many years believes that since the mid-2000s there has been a real shift in the relationship with Sask Sport. “I feel the mood in Sask Sport used to be different than it is now. In my opinion, it’s very paternalistic.”

A lot of the discussion in the focus groups with PSGBs and PCOs centered on the belief that there was a need for Sask Sport and SaskCulture to consult with them in a more meaningful way before major decisions are made. As one Saskatoon PSGB participant stated: “What we need to have ahead of time is a white paper — a discussion paper saying, these are some of the items that we’re looking at. Does your sport have any concerns?” Similar comments emerged in the cultural focus group. “If they want us to be that accountable, why aren’t they including us in the consultations to develop the form so that it is reflective of the diversity of the cultural sector?”

The frustration with the lack of consultation and burdensome accountability measures led some employees to make comments like this Regina PSGB member: “Where’s our chance to evaluate them? They want to evaluate us and place all these things on us but it’s not a two-way street. We don’t ever get to give it back.” Another person in this session added: “I don’t have very many gripes. It’s more I want to be asked. Is there more we can do to meet your needs? Are you satisfied with the services we’re giving you? Is there anything else you need? I just want to be asked.”
Sports groups spoke about the membership meetings that take place a couple of times a year, which were not seen by most people in the Saskatoon PSGB session as being particularly helpful. One participant referred to these sessions as “information dumps” to which another participant, who was less vocal in the session, added: “They’re giving information to us. They’re not looking for stuff from us — is really what it is basically.” Another person added:

When you’re in a room with a hundred people that is not a good method for feedback because most people are not going to stand up in a meeting like that and say anything. If I’m going to give them feedback it needs to be meaningful, one-on-one where I feel comfortable sharing.

There was a sense by some participants that if anyone is brave enough to voice her opinion on contentious issues at these meetings nothing typically results from the effort.

“I think sometimes the right people are not in the room when we have these meeting.”

Some people expressed a worry about being too quick to criticize their funder. “Will that impact our funding. ... That guy is a pain in my ass. His assessment is coming up. I want to be on that committee and make sure we’re not going to give him any increase or whatever. So you don’t want to hurt your association on one side of it, but on the other side you’ve got to fight for what you think is right.”

Most PSGB representatives felt they had a good relationship with their primary Sask Sport contact. One Regina participant said, “Our consultant actually comes to our AGM. She actually hears our member clubs — what they have to say and it’s been good.” Another added that “I’ve utilized my sport consultants a lot in the last nine months with the various issues I’ve had to deal with and she’s been a great help — just even to be a person when you need to vent.” Others indicated things like, “We’ve got a newer guy who hasn’t been around a long time but you can ask him questions. If he
doesn’t know the answers he will go and find out. He’s good.”72 A person who attended the Regina session said, “Some of us are probably pretty careful about what we’d say to a Sask Sport consultant.” She believes this stems from the fact that these people wear two different “hats” — one as the main funder; the second as an organization that is supposed to be there to serve its members. As she sees it, this makes for a “Jekyll and Hyde” kind of relationship. “They’re the ones giving us our money and so when we have an assessment they sit in and they’re evaluating us and we’re reporting to them. You don’t necessarily always want them to know your issues because you might lose a grant or you might lose some funding. So, it’s kind of like a really two-faced consulting process.”73

There appeared to be a general understanding and agreement by all of the participants in the focus groups that the leaders of their umbrella organizations are not in a position to disclose details about lottery license negotiations or other decisions that may be under discussion with the government or at the board of directors’ level. “They’ve spent months and months and months of hard work putting together that application for the lottery funding agreement, right? Why can’t they share some of that information with us? We hear things in casual conversation but some form of communication should take place directly with the lottery-funded organizations so that everyone has the same message.”74 Some PSGB members were particularly irritated to learn for the first time, through the media, that they might be moving offices: “Oh, that’s interesting, we’re moving into the stadium. We heard that one in the newspaper.”75

In all three focus groups participants were careful to temper their comments when they felt the discussion was getting too negative. Worry was expressed by some participants about how this research might be used by the government to cut funding or
make changes that would not be in the best interest of the communities they represented.

This may have stemmed from the fact that the researcher asking them these questions was an outsider to their communities. The general consensus was that many of the problems they had described could be solved and did not indicate that the system needed to be fundamentally changed. As one PSGB employee noted:

> Just speaking to our other provincial counterparts, our system is light years ahead of what they have so even though we have growing pains and we’re using outdated software, when it’s up and working, less than half the time, it works well. It could be a lot worse that what it is but if we’re talking about not duplicating efforts and trying to continually improve, that is an area that could definitely be addressed in order to make the system work better for everyone.76

PCO employees were similarly quick to go back to defending the lottery system when it appeared that comments were becoming too negative. “I’d like to go on record,” said one person attending the session, “that this is a good system. There are pieces that probably are broken and need to be fixed but I still believe we are the envy of many nations.” 77

9.2.3 GOVERNANCE ISSUES

The issue of board governance was not a topic originally considered part of this study. When problems with board governance surfaced in some of the later interviews with former Sask Sport employees and past presidents, the decision was made to explore this issue more fully in focus groups. Most individuals that raised this topic expressed the belief that the policy of allowing people to serve only one term as President, followed by a second year as past-President was a good policy that encouraged turnover and the recruitment of new talent to the board. Only two former board members spoke to the issue in any great detail. One Past President was especially insistent that Sask Sport has a governance structure which was in his words “outdated and old school.” It is his belief
that the policy of Sask Sport to have board members serve for only three year terms and presidents act in this senior capacity for only one year, does not serve the organization well — that most effective organizations allow their Presidents to serve at least two, sometimes three years. “I guess if you’re management you wouldn’t want it any other way. Just when the volunteers start to get knowledgeable their terms are up.”78

Governance was not seen as a problem by participants involved in the culture and recreation sectors. Efforts have been made in SaskCulture and SPRA to update their governance structures. When this issue was brought up with cultural volunteers the group mused: There is a “fiction as to how things actually work and how things should work and I’ve always been interested in the notion that, yes, you want to empower your volunteers, they’re the people that drive the organization, but the reality is that’s not the way the organization works. So, there’s always this disconnect between the reality of how things work and the ideology of how things should work at SCCO and SaskCulture.”79

There was a lengthy discussion during the Regina focus group with PSGB staff about what some participants believed to be an outdated leadership structure at Sask Sport, with too many volunteer committees involved in what should be routine decisions left in the hands of staff to deal with. “The sports have gone to more streamlined policy governance boards where we can make decisions as executive directors but they [Sask Sport] haven’t”80 to which another participant added: “Their leadership model has to change somewhat. They haven’t changed with the new century.”81 Another employee entered the discussion at this point, adding: “The leadership governance structure at Sask Sport is totally different than ours.” She questioned the point of having meetings chaired
by board members to convey information that Sask Sport wants its members to know. In her opinion, these well-meaning volunteers are not in the same position that Sask Sport staff are to answer questions and these meetings are not as valuable as they could be because of this: “Sport isn’t being run the same way it was thirty years ago. If they want to share information with the EDs, let’s do it at one o’clock in the afternoon over lunch with Sask Sport staff.”

These same employees believe Sask Sport had too many committees and require the involvement of volunteers in matters that are in their minds operational issues best left to professional staff. “It takes how many committees to get a $750 grant from the Coaching Association. Seriously, can’t your paid staff just make a decision on something like this? I don’t know if there is even a mechanism to change things like this. I think you would have to go right to their board to make the smallest change in something.”

9.2.4 SUCCESSION PLANNING

Another recurrent theme in the interviews and focus groups was that the lottery system in Saskatchewan has benefited from capable leadership. A number of senior managers are approaching retirement age and concern was raised about the need for a succession plan. A former president made the reflection: “I’m sure you’ve heard this from all of the past presidents that [Sask Sport’s management] has been nothing less than outstanding and the organization has been incredibly well served by them. So, that is a challenge as they start getting closer to retirement.” A number of participants, including the one quoted above, were worried that it will be difficult to find replacements for the current leaders — that individuals with the skills required to manage the complex relations with the lottery partners will be difficult to find.
Opinions varied as to the threat this posed to the future of the system. Some active Sask Sport volunteers believe that the organization is mature and the lottery system is sufficiently entrenched so there is little danger that the government will make major changes in the future, even if less politically astute and adept leaders take over. “As long as somebody who comes in is passionate about the position and understands the organization and the value of how it’s structured, the organization will still thrive.”

Some participants spoke even more optimistically about the future, believing that there is an opportunity for new leaders to take Sask Sport and the lottery-funded sport, culture and recreation sectors to a higher level. In the words of a former employee of the sport federation, “Sask Sport’s in an exciting time. Like, it’s just evolved and done incredible things. Now how do you take it forward and hit the next home run?” This individual believes this is not the time for the organization to “act like government” and be “risk adverse” or to “not push the envelope.” A long-serving business leader and volunteer felt the same way, suggesting “the next person that comes in has to be prepared to take it to the next level, but it has to be done in the proper way.” He was confident that there are a number of staff members that could possibly take over but there are people in the community and across the country even who should be considered for these key positions. In his mind, the next general manager must understand how unique the system in Saskatchewan is and how important it is to build on and expand the system without compromising the basic principles which serve as its foundation.
9.2.5 AGING INFRASTRUCTURE AND NEED FOR NEW FACILITIES

Recent studies show that most of Saskatchewan’s community recreation facilities are between 25 to 34 years old, and past their expected life cycle. Aging recreational infrastructure is a problem common across Canada. Many local governments, not just in Saskatchewan, but across the country, report having waiting lists for their Parks and Recreation programs and facilities and whenever new facilities become available, they appear to be quickly filled with users. As a senior manager with SPRA was quick to point out, “When you talk about the system [for funding sport, culture and recreation] everybody gravitates to towards the provincial system and how we compare to other provinces. They forget the fact that most of the spending on sport, culture and recreation happens at the municipal level and I’m not even talking about how much the registration fees that have to be put forward.” Emphasizing that most facilities are run by the cities and towns who subsidize the user groups, this interviewee expressed concern with the trend that has been occurring since the early nineties for municipalities to decrease the subsidies to recreation. He believes there has been a fundamental shift in philosophy. “In the past recreation was seen as a public service. Now it’s moving away from that that, more into user pay. The lotteries don’t pay for capital improvements for community facilities. There’s not enough money for that.”

Municipalities that were directly responsible for maintaining and managing recreation facilities were hit hard by cutbacks in the funds they received from provincial governments in the 1990s. Since municipalities are limited in their capacity to raise new revenues, they have typically needed support from other levels of government and the private sector to fund capital improvements to recreational facilities. The lottery system
in Saskatchewan would be unable to maintain its current support to provincial sport, culture and recreation associations and provincial-based programs if it were to try to make up shortfall for the cuts made to municipalities to infrastructure updates.

9.3 CONCLUSION

No public policy or institution is perfect. Different ideological lens often factor into discussions about the strengths and weaknesses of programs or policy approaches. This certainly is the case when it comes to questions about how funding should be directed to sport and recreation, not just in Saskatchewan, but worldwide. Jurisdictions that conceive of sport as contributing to national or international prestige often direct more money to high performance sport than mass participation programs. Others countries place less emphasis on elite sport, concentrating efforts more on recreational sport and efforts to improve population health. The full-range of opinions on this debate surfaced in the interviews and focus groups for this study.

Sask Sport has evolved into the main funding portal for amateur sport in the province. The federal government, through Sport Canada, is the main funding agency for athletes that reach the pinnacle of their sports. The provinces have primary responsibility for recreational sport but depending on how much they value high performance sport, they will also direct resources this way. Sask Sport contends that their approach has always been to provide funds to a wide variety of sports rather than directing resources to sports or particular athletes perceived as having greater potential to bring home medals from events like the Canada Games or the Olympics. Unfortunately, it was beyond the
scope of this study to conduct the type of scholarly research that would be necessary to
determine how Saskatchewan compares to other provinces on this front.

Participants in this study also worried about other major social problems. They
often lamented lottery funding on its own will never be able to provide access to sport,
culture and recreation programs for all of the province’s citizens. Many expressed
concern about problems like obesity and inactivity and increasing rates of poverty,
musing about how much healthier our society would be if more funding was directed to
the school system for physical education and community recreation equipment and
facilities. Other criticisms or concerns expressed by participants can be more easily
addressed. Issues like the need for improved communication, changes in board
governance, and succession planning are common to most organizations. They are a not a
reflection of problems with the larger funding regime or institutional structure.

The most dominant theme in this study was that the arrangement between the
Saskatchewan government and the voluntary sector to fund sport, culture and recreation
is something the province can take pride. Chapter ten will turn the attention to the lessons
other jurisdictions considering developing collaborative governance relationships
between private partners and government to deliver public services can take from the
lottery system in Saskatchewan.

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1“Collaborative Governance and Changing Federal Roles: A PPF and PRI Joint Roundtable Outcomes
   2008), 12 and Brian W. Head and John Alford, “Wicked Problems: Implications for Public Policy and
   Management,” *Administration and Society* 20, no. 10, 2.
3Ibid.
4Ibid.

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9Harvey, “Multi-Level Governance,” 43.
10Sutcliffe and Tilson, Sport and Physical Activity in Canada,” 6.
13CS-16.
14PSGB-13.
15PSGB-9.
16PSGB-13.
17PSGB-12.
18PSGB-11.
19SV-25.
20“From Pigskins to Publicity: An Interview with Steve Mazurak, Communications Coordinator, Sask First,” Excell 1, no. 1 (June 1987), (Regina, SK: Sask Sport), 11-12.
22Rick Folk, interview with author, June 14, 2012.
23“From Pigskins to Publicity,” 11-12.
26SV-25.
27Donnelly, “Sport Participation.”
29Bill Clarke, interview by Ernest A. Nicholls, October 13, 1977.
30CS-3.
31Speech by Ed Tchorzewski, “Speech to the Sask Sport Annual Meeting,” 22 March, 1975, Sask Sport Archives (SSA),
34SA-11.


38 PSGB-15.
39 SA-18
40 SA-14.
41 CS-14 and CS-12.
42 CS-6, CS-14 and CS-16.
43 CS-11.
44 CS-16.
45 PL-7 and CS-4.
46 SA-14.
47 CS-16.
48 SA-15.
49 PSGB-2.
50 CRA-15.
51 PSGB-11.
52 SA-16.
53 SA-12.
54 CRA-13.
55 CRA-17.
56 CRA-13.
57 PSGB-2.
58 PSGB-4.
59 CRA-12.
60 PSGB-12.
61 PSGB-13.
62 Ibid.
63 PSGB-10.
64 PSGB-12.
65 PSGB-13.
66 PSGB-1.
67 PSGB-12.
68 PSGB-9.
69 CRA-15.
70 PSGB-9.
71 PSGB-4.
72 CRA-5.
73 SV-18.
74 CRA-4.
75 PSGB-12.
76 PSGB-12.
77 SV-13.
78 SV-19.
79 SA-15.
80 SV-6.


90. CRA-8.

Sport, culture and recreation do not have the same profile of areas such as health care, education or social services. It would be a mistake not to consider the lessons that this case study can offer other policy arenas. The funding model described in these pages meets almost every measure of what constitutes “best practices” in the literature on collaborative governance arrangements (CGAs). Factors identified by Ansell and Gash as critical to this form of governance like face-to-face dialogue, trust building and the development of collective decision-making processes are the hallmark of the Saskatchewan Lotteries system.¹ Shared discretion, which Donahue and Zeckhauser identify as the defining feature of collaborative governance, is a principle the Saskatchewan government has fully embraced with this funding model.²

This chapter explores these and other key drivers of robust CGAs to present an analytical framework for understanding collaborative governance. The intent is to offer practical advice on how to design and implement collaborative governance arrangements that facilitate organizational empowerment and collective ownership by the partners in such relationships. The framework extends the work of Peterson and Zimmerman on the processes and outcomes of organizational empowerment.³ It is not possible to create one integrated model that captures all the potential interactions and challenges of every potential CGA. What we can do is extrapolate the institutional attributes that are characteristic of successful collaborations between private and public entities. Before the framework is presented, however, it is prudent to explore the challenges this governance
model presents. While CGAs hold great potential as vehicles for engaging local or regional actors in the policy process, several considerations should be evaluated before this form of governance is entertained.

10.1 THE CHALLENGES OF COLLABORATIVE GOVERNANCE

A number of internal and external factors, both institutional and managerial, affect the ability of collaborative governance arrangements to succeed. Table 10.1. which incorporates lessons from the Saskatchewan case study with advice from the scholarly literature, outlines the considerations that should be understood and addressed before CGAs are entered into and as the relationship develops, matures and responds to changing circumstances. One of the greatest internal challenges is the structural complexity that is typical of most collaborations. The more organizations and sectors involved and diversity of the participants make it more difficult to reach consensus on collaboration. Once agreement is reached, it is often difficult to maintain momentum to meet future challenges and take advantage of future opportunities.⁴
Table 10.1. Threats to Successful Collaborative Governance Arrangements

<table>
<thead>
<tr>
<th>Internal Factors</th>
<th>Structural complexity of the partner organizations</th>
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<tbody>
<tr>
<td></td>
<td>Collaborative governance often diverges from current political and management styles involving hierarchical relationships.</td>
</tr>
<tr>
<td></td>
<td>Deliberative dialogue and trust building is time consuming and comes at a cost</td>
</tr>
<tr>
<td></td>
<td>New partners or new leaders enter existing institutional relationship</td>
</tr>
<tr>
<td></td>
<td>Poor leadership and/or mismanagement</td>
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<tr>
<td></td>
<td>Information loss over time</td>
</tr>
<tr>
<td></td>
<td>Bureaucratization arising from increased complexity which comes with growth</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>External Factors</th>
<th>Changes in economic climate</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Change in governments or political and/or policy priorities</td>
</tr>
<tr>
<td></td>
<td>Incremental changes in the policy environment</td>
</tr>
</tbody>
</table>
Several inter-related dimensions of structural complexity can affect the practical output of collaborations. The first dimension is the size and structure of individual members of the CGA. Members may have quite different organizational cultures, ways of communicating and means of doing business from each other. CGAs involve at least one government entity. Often public agencies have a top-down managerial approach and are used to operating in an environment of “command-and-control.” If this is the case, they will have to undergo a cultural shift.⁵ Although public organizations have responded to many changes in the last century, they are still largely based on Max Weber’s principles of the ideal type of bureaucracy with a clear hierarchical order, concentration of power among senior officials, and a formal structure with strict rules and regulations and limited channels for communication.⁶ The incomplete control afforded to government when it enters into collaborative governance relationships gives rise to reservations about delegating public duties since private actors are often viewed by governments as wanting only to advance personal agendas.⁷

In an era of increased scrutiny by the media and the public in Canada, the culture of the public service has become even more risk-adverse than it was in the past. This has resulted in the development of rigid accountability regimes for dealing with the voluntary and non-governmental sectors.⁸ Accountability requirements were tightened following the release of an internal audit of Human Resources Development Canada’s (HRDC) grants and contributions programs in January 2000. This was dubbed the “sponsorship scandal” in the media and HRDC programs were said to have lost a billion dollars of taxpayers’ money. Though many analytical reviews argued that the scope of mismanagement was overblown, federal funding agencies responded swiftly.⁹ Actions by
federal departments and agencies influenced governments at all levels, as well as foundations and other philanthropic institutions. Forty-three percent of respondents of the National Survey of Nonprofit and Voluntary Organizations in 2004 indicated they struggled to meet the reporting requirements of their funders.¹⁰

Members of non-governmental organizations can be just as unfamiliar or uncomfortable with the methods of collaborative practice as their counterparts in public agencies, especially if they have not been empowered to make decisions in the past or lack the skills to participate. Policy making within a collaborative environment requires the creation of new processes for collective action and problem solving that generates trust among the participants.¹¹ Implementing new processes for engagement and decision-making can be difficult when power imbalances exist between stakeholders within the CGA. If some organizations do not have the capacity or resources to participate on an equal footing with other stakeholders, the collaborative process may be open to manipulation by stronger actors.¹²

Collaborations work best if the individuals involved in any management committee or decision-making environment perceive themselves as being of approximately the same status. This may be difficult to achieve if the organizations that are involved in the CGA are different in size. Collaborations often involve middle managers from large organizations and senior managers from smaller ones. Even if senior managers of large organizations are involved at the start, ongoing management of the collaboration is often delegated to lower-level employees.¹³ Partnering with national organizations that have regional offices can also pose organizational challenges. It may be more appropriate for representatives of member organizations or branch offices to be
involved in local initiatives than the umbrella group or “head office.” However, several communication and accountability challenges can be posed if designated representatives attend meetings with no authority to make decisions.\textsuperscript{14}

Internal challenges are also posed when new members join the collaboration or others decide to exit. When this happens, organizational dynamics change and information can be lost unless efforts are made to educate and build commitment with new members on the purpose and benefits of the CGA. Power dynamics can also change within collaborations when new leaders emerge or the membership of original partners need or demand greater rewards from their involvement. Incidents of poor leadership or mismanagement can also threaten the collaboration; so too can success and growth of the joint initiatives or member organizations. Resulting increases in bureaucracy can hinder partner organizations from working together effectively.\textsuperscript{15}

A number of external threats must also be monitored. One of the greatest external challenges is that CGAs exist in an atmosphere of continual change. Government policies promote new initiatives and also change the purposes of existing ones. As Huxham et al. emphasize: “Two years is a long time in government policy circles and new initiatives are often being introduced before previous ones have become embedded.”\textsuperscript{16} Changing fiscal realities is another important external factor that can cause the need for CGA partners to revisit priorities or allocation of resources. Even without external pressures like changes in government or economic circumstances, the natural evolution of collaborations often leads to changes in their original purpose. Sometimes this happens because the initial joint purpose has been successfully addressed. Other times the collaboration is forced to adapt itself to solve new social problems or to appease the needs of new members.\textsuperscript{17}
10.2 TOOLS AND STRATEGIES FOR MANAGING THE CHALLENGES

A number of tools and strategies can be employed to manage the challenges that come with collaborative governance arrangements. Themes that emerged from the grounded theory analysis of the interviews and focus groups, together with insight from several bodies of literature relating to organizational effectiveness and empowerment, are operationalized in Table 10.2. The conceptual model builds on the framework proposed by Peterson and Zimmerman in 2004 which identifies three levels of analysis to order processes that are relevant to organizational empowerment outcomes.\(^{18}\)

One of the central findings from the Saskatchewan case study is the importance in collaborative governance arrangements of having an organization like Sask Sport to serve as a bridge between civil society partners and government. Bridging organizations like Sask Sport play a critical role in facilitating the processes necessary for successful collaborations. Table 10.2. shows that the bridging organization helps manage three related but distinct types of processes. All three components are essential elements of successful collaborative arrangements. The bridging organization must manage these processes within its own organization. It must also work with other members of the CGA to ensure they are mindful of these necessary processes.\(^{19}\)
Table 10.2. A Framework for Institutional Analysis of Collaborative Governance Arrangements

<table>
<thead>
<tr>
<th>COMPONENT</th>
<th>DESIGN PRINCIPLES</th>
<th>OUTCOMES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intra-organizational</td>
<td>Significant discretion is provided to private partners (within the terms of the collaborative governance framework).</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Peak (umbrella) organizations to bring sectors together.</td>
<td>Unpredictable resourcefulness of an entrepreneurial citizenry</td>
</tr>
<tr>
<td></td>
<td>Investment in human resource capacity and education and training of members.</td>
<td>Citizens and private partners contribute own resources to boost total expenditures on goods that create public value</td>
</tr>
<tr>
<td></td>
<td>Opportunity role structure so all partners can contribute to goal development.</td>
<td>Viability</td>
</tr>
<tr>
<td></td>
<td>Volunteers are directly engaged in decision-making.</td>
<td>Involvement of co-empowered subgroups</td>
</tr>
<tr>
<td></td>
<td>Ongoing effort to get input from the communities served through the collaboration.</td>
<td>Public support</td>
</tr>
<tr>
<td>Inter-organizational</td>
<td>Trust building through ongoing dialogue.</td>
<td>Resolved ideological conflict</td>
</tr>
<tr>
<td></td>
<td>Clear ground rules and process transparency around collaborative initiatives and goals.</td>
<td>Partners speak as “one”</td>
</tr>
<tr>
<td></td>
<td>Participants around the decision-making tables have clear authority to act on their organizations’ behalf.</td>
<td>Collaboration</td>
</tr>
<tr>
<td></td>
<td>All agencies must demonstrate commitment to the collaboration and participate in alliance-building activities.</td>
<td>Resource procurement</td>
</tr>
<tr>
<td>Extra-organizational</td>
<td>Shared understanding of collective goals is developed through consensus-oriented decision-making processes.</td>
<td>Influence of public policy and practice.</td>
</tr>
<tr>
<td></td>
<td>Terms and conditions and accountability measures are jointly developed with government partners.</td>
<td>Creation of alternative community programs.</td>
</tr>
<tr>
<td></td>
<td>Strict adherence to non-partisanship.</td>
<td>Deployment of resources in the community.</td>
</tr>
<tr>
<td></td>
<td>Openness to change.</td>
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</table>

As adapted from Peterson and Zimmerman, (2004, 133); with insight from Donahue and Zeckhauser, (2011); Ansell and Gash, (2008); Huxham, Vangen, Huxham and Eden, (2000) and Ostrom, (2010).
10.2.1 BRIDGING ORGANIZATIONS AND FACILITATIVE LEADERSHIP

A special brand of leadership, termed in the literature as “facilitative leadership,” is part of the foundation of successful CGAs. It is especially important that executive managers in the bridging organization understand and are committed to this type of leadership. Russell Linden, who interviewed several leaders of successful government and nonprofit sector collaborations, found similarities in the personalities of these individuals and the strategies they claim need to be employed to develop buy-in and ownership for the system and its outcomes. “The leaders who succeed at collaboration have an unusual combination that seems central to their effectiveness,” suggests Linden, “In addition to their drive and resolve they are modest, even humble people. They combine a fierce commitment to their goals with an ego that allow plenty of space for different viewpoints.”

Linden’s description of the ideal collaborative leader is almost identical to how Jim Burnett, a senior leader of Sask Sport, was depicted by many of the people interviewed for this study. For instance, an employee for a multi-sport organization that is funded by Saskatchewan Lotteries described the long-serving leader of Sask Sport this way. “[He] is not front and centre and sometimes he gets criticized for that but that’s his method. His style is to be in the background and make things happen. I don’t need a big name for myself as long as the system’s working.” In this same vein, a former President of Sask Sport recounted a conversation he had with a prominent businessman: “He said to me that Sask Sport was the biggest unknown company that he had ever seen. It is very low-key. [The staff] always passed the credit on to everybody else for all the great work that got done.” Burnett continually downplayed the role he plays in the system. “The
truth is that the strongest skill we brought to this was the ability to harness all of the
talents of the staff and the volunteers. We were able to harness the machine and let it go
to work. That was our skill.” Another senior manager with the sport federation shared
similar sentiments. He described his role as a “facilitator,” stressing that “[t]he less said
about us the better because the truth of it is that we had a job to do and we got paid to do
that job.”

As these quotations illustrate, collaborative leaders see themselves as stewards of
the process whose role is to safeguard and promote the overall system. Collaborative
leaders must have the skills to promote broad and active participation by members within
their own organization as well as the ability to work with other partners in the CGA to
ensure similar input and buy-in to the process occurs. This means that individuals
assuming leadership roles in CGAs must empower and represent weaker stakeholders to
bring about a “balance of power” among all members of the collective endeavour. When
incentives to participate in the CGA are weak, power and resources are asymmetrically
distributed, and prior history of antagonism between organizations coming together is
high, leadership becomes even more important. More attention to how the facilitative
leadership practices employed by bridging organizations plays out within the confines of
a collaborative governance arrangement will be discussed in the context of intra-
organizational, inter-organizational and extra-organizational processes and outcomes.

10.2.2 INTRA-ORGANIZATIONAL PROCESSES AND OUTCOMES

10.2.2.1 Discretion and Flexibility
The most important intra-organizational characteristic of successful collaborative
governance efforts is that the relationship between the parties be flexible and that
significant discretion be afforded to the non-state stakeholders for determining how the public job will be undertaken. Participation of the private partners must extend far beyond traditional efforts by government to consult and seek input. Collaborative governance requires that private partners be directly engaged in the decision making process and have real responsibility for policy outcomes. As the partners work together collective decision making becomes institutionalized.

10.2.2.2 Peak Associations to Bring Sectors Together

An important finding from the Saskatchewan case study is the importance of having umbrella organizations – peak associations - to unite groups within each sector of the collaboration. Shaiko notes that peak associations are permanent organizations that represent a certain sector on a wide variety of issues, typically including the largest and most influential groups in a policy domain. Montpetit adds to the definition of a peak association by noting that one of its primary goals is to contain discussion and debate of its members behind closed doors in order to present a unified voice to the public and government.

Certainly, in Saskatchewan, how Shaiko and Montpetit characterize peak associations applies to organizations like SaskCulture, Sask Sport and SPRA, which represent most groups within their specific sectors. As Elson tells us, in order to be effective, the umbrella group must be able to build a broad representative membership link across the breadth and depth of organizations in the sector. They must also develop reporting and accountability structures that hold representatives to account to both the membership and the general public. Members within the umbrella must always be cognizant of the need to be unified in their dealings with the government.
During the discussion on the history of the cultural sector in Saskatchewan we saw the important role Sask Sport played in convincing provincial cultural organizations of the need to form an organization to represent their interests. As we learned, even once this new organization was created, the sector continued to have a number of differences of opinion that threatened to break up the lottery system. Not everyone in the cultural sector was as circumspect about the need to iron out their differences. Serious tensions between the Saskatchewan Arts Board and SaskCulture often made their way to the public eye. Despite the challenges, over time leaders in the cultural sector, who were supported in their efforts by Sask Sport, saw the importance of resolving their differences and working together.

As we saw in chapter seven which described the history of the cultural sector in Saskatchewan, within umbrella organizations there can also be peak associations of specific sub-sectors. Cultural volunteers and employees spoke highly of the role SaskCulture played in creating organizations like Heritage Saskatchewan and the Museums Association of Saskatchewan to act as peak associations for the various sub-groups within the cultural sphere. Representatives of the heritage community, for instance, applauded SaskCulture for helping establish and providing ongoing funding to Heritage Saskatchewan which was founded in 2009. “One of the reasons for the creation of Heritage Saskatchewan, where we have a common voice of archaeologists, archivists, architectural heritage people, etc, and bringing all of these people together is that we have a critical mass that can communicate with government, with one voice. They [government] then realize that there are all these people behind that one voice.”31
10.2.2.3 Investing in Human Resources and Volunteer Capacity

Another key factor which explains why the sport, culture and recreation sectors in Saskatchewan have been able to work together so successfully is that stable, flexible funding has allowed them to strengthen their organizational capacity. One of the first decisions by the Lottery Trust Fund was to create a grant for organizations to hire staff. A number of provincial sport governing bodies like the Saskatchewan Baseball Association were quick to apply for money to hire executive directors. On the cultural front, groups like the Saskatchewan Organization of Arts Councils, the Saskatchewan Writers’ Guild, Persephone Theatre and other arts organizations were also able to hire staff.32

One volunteer remembered the day her provincial sport governing body was able to hire an executive director for the first time. In her mind, this was one of the best investments the Trust Fund could have ever made for amateur sport. She recalled the days before they had staff when countless hours were spent organizing meetings, typing minutes, applying for grants and doing administrative work, time which she should have been using to coach children: “Having an executive director was a lifesaver for the volunteers,” she said. “Instead of coming home from a meeting and having a lot of work to do, you could go to the clinics and get information on coaching and find out what other clubs were doing. It freed up our time so we could get on with the real job.”33

Funds did not allow for every organization to hire a full-time executive director and still provide assistance in other grant categories. Volunteers also recognized that not all organizations were at the same level of development as others. Not all of them had the need to hire full-time staff, even if they had access to the required funds. They still had a need for administrative support to attract new members, to develop their organizational
capacity and deliver effective programs in more communities; just not necessarily to the same extent as some of their larger, more established members. Since it was not easy to attract good employees to part-time positions, a shared executive director program was introduced. Another option was to provide funding to hire an executive director part-time for either 20-hours per week for one year or full-time for half a year. The intent was to encourage the use of retired persons or people wanting to only work part-time.34

As one former senior bureaucrat put it, the impact of stable funding and the ability to hire staff to direct the volunteers was a source of strength that cannot be underestimated. “You have strong organizations that have on-going funding. Many of them are able to actually hire staff to supplement the volunteers that work. There’s a chance to do more planning here as a result of that certainty.”35 As this civil servant stressed, “I’ve seen organizations that are dependent only on project funding and they’re always chasing at least half a dozen pots of money and rather than creating access and opportunity they spend 50-80 percent of their time chasing money.”36

With more funds at their disposal, Sask Sport was able to respond to needs identified by their members for ongoing accounting consulting services to assist them in setting up appropriate systems for financial record keeping, as well as seminars to train volunteer treasurers.37 Other areas of priority that were identified by the membership were for training on how to organize associations and how to implement effective planning processes. Sask Sport responded by creating a series of written modules and workshops which led to the launch of the Sport Administration Development Program.38
10.2.2.4 Meaningful Opportunities for Volunteers

Investing in human resources and information assets made it easier for the sport, culture and recreation umbrellas to facilitate active and meaningful participation of volunteers and build up capacity in their sectors to take on new projects. This result was particularly evident in the amateur sport sector. During the 1980s staff and volunteers of provincial sport governing bodies began to question why the government was still involved in delivering sport programming when the community was capable of doing these jobs on their own. With this came a subtle shift in power away from sport consultants in the civil service to the voluntary sector representatives who began to see government as being obstructionist instead of helpful.

The Associate Deputy Minister during this time period recalled a speech he gave to department officials. He said, “You built this system and you should give yourselves a pat on the back but you have to let it go.” He continued to congratulate his staff for doing a good job of enabling the community but advised them it was time they took on new roles. “If you let them do their job and you simply come to the table as a true advisor bringing in good information, bringing best practices, bringing models that they can build from and success stories and what to watch out for in terms of where there were failures, they’ll invite you to every meeting, they’ll love you,” he continued. “But right now you’re in danger of becoming left out. They’re having meetings without even inviting you.”

An individual active in the cultural sector, first as an executive director of a lottery-funded organization, then as an employee in the Cultural Services branch of the Ministry before going on to lead the cultural umbrella organization — the Saskatchewan
Council for Cultural Organizations, spoke of these issues in a similar manner. “Most (if not all) the bureaucrats in the department were passionate about the development of sport, culture and recreation in Saskatchewan. They were good people who cared about these things.” The problem, as he saw it, was that even civil servants as high ranking as Bill Clarke, found it hard to accept the amount of control and power the three umbrella organizations had by the end of the 1980s and the 1990s. “After the election in 1982, when the government changed Bill’s ability to influence, things started to slowly erode and by the late ‘80s the three umbrellas were dealing more and more directly with the Ministers responsible for the lottery.”

During a feedback session with a number of Sask Sport’s past presidents there was a lengthy discussion about the role of the civil servants. As one of the presidents during the late 1980s described it, “The department had these people who were supposed to be consultants or experts but there was nothing for them to do. We [Sask Sport] were doing everything possible for the sports people — giving them the money so they could do it on their own.” He and several other presidents who served on the board during the same time period thought it was fine for the government to provide the sport community with the infrastructure they needed to help them grow, and to monitor them to make sure they were doing what they were supposed to do. After that, however, the community should be left to look after their own interests because they understood the needs and the concerns of their organization better than civil servants.

Over the years, as lottery funds continued to increase, and the province faced fiscal pressures, the government devolved their program and funding responsibilities in the area of amateur sport exclusively to Sask Sport and the lottery system. A small
number of government staff play a policy role and help negotiate the terms of the lottery license agreements, but civil servants are no longer charged with organizing sporting events or managing programs like they once did. Any funding that comes from the federal government through bilateral agreements flows through the province and is administered by Sask Sport. Functions formerly run by the province like the Saskatchewan Games were moved out of government and run as nonprofit organizations — funded and supported by Sask Sport. Today, almost every facet of the amateur sport system in Saskatchewan can in some way be linked back to the provincial sport federation, either directly or indirectly — whether it is grassroots developmental activity or high performance sport.

The situation is similar in the recreation sector. The Saskatchewan Parks and Recreation Association does most of the work that the provincial government used to do through the Department. The organization employs people in communities throughout the province to deliver recreational programming. The provincial government still provides some tax-based funds to the cultural community through arms-length organizations like the Saskatchewan Arts Board and the recently formed 2013 Crown agency Creative Saskatchewan. However, even in the cultural sector, most revenue is from the lottery sector.

Within participating organizations, it is also important that processes be developed to enable volunteers and other key players and supporters (or potential supporters) to take leadership roles. It may appear easier or even desirable for employees of the bridging organization to speak on behalf of their partners and to navigate the terms and conditions of the funding relationship with government. While less time consuming
in the short-term, such an approach does not lead to wide-spread buy-in and ownership by all of the system partners which should be the goal of the CGA. While pursuing this strategy, those in key leadership and staff roles must be willing to forego public recognition of individual (or their own organization’s role) in successful outcomes. They must also resist efforts to blame other participants for set-backs or problems that are encountered along the way and must focus on the stewardship and safeguarding of the process.  

As a senior civil servant reflected: “Sask Sport, despite the fact that it’s kind of the big brother, never really takes on that authority or uses it in an inappropriate way.”

This is evidenced by the way the senior leaders in culture and recreation view their relationship with Sask Sport. They were asked to describe their relationship with Sask Sport. The question was asked in a manner that implied that that Sask Sport might play a more direct and ongoing role in managing the relationship with the provincial government. Norm Campbell, the General Manager of SPRA was quick to correct this assumption. He said, “[w]e don’t see Sask Sport as a senior partner. We understand that we have to work together to determine what’s best for these sectors.” Both he and Rose Gilks, the senior manager of SaskCulture spoke of a relationship with Sask Sport that was based on trust, mutual respect and support for collective and individual goals of the partnership. The leaders of Sask Sport, SaskCulture and SPRA refer to themselves as “partners” and “sister organizations,” implying an understanding that they have parity with each other accept that the others are the voice of their respective sectors. The General Manager of SaskCulture said: “We’re like a family. We have some pretty frank conversations [about the needs of our individual sectors] at times but I think that’s why it
works. Values like accessibility and participation and the importance of volunteers are embedded in all of our organizations.”

Sask Sport, together with its sister organizations, has always placed a high value in involving volunteers in high-level negotiations with the government. According to a senior SaskCulture interviewee: “[we] started with discussions [for the last lottery agreement] with our three volunteer presidents and ourselves going in to meet with the Minister and doing a presentation on what the Lottery Association was all about and how we feel that we are helping meet the priority interests of the government” and that was “powerful because we had three very well spoken people, all very diverse.” This type of opportunity role structure serves two primary purposes. First, it is more difficult for government representatives to question or criticize the motives of volunteers that are elected and accountable to a broader membership base than it is to scrutinize paid employees of the umbrella organizations. Second, as the volunteers and the organizations they are speaking for become more actively involved in making decisions, they become more committed to ensuring the desired outcomes are met.

10.2.3 INTER-ORGANIZATIONAL STRUCTURES AND PROCESSES

10.2.3.1 Trust Building through Ongoing Dialogue

A number of inter-organizational processes are factors in the long-term success of the lottery-funded sport, culture, and recreation sectors in Saskatchewan. Among the most important of these processes are face-to-face dialogue and efforts to build trust among stakeholders. Collaborative partners build trust by sharing information and knowledge and demonstrating good intention and follow-through, a process known as “principled
engagement.” Conversely, unilateral action and failure to take the time to ensure all partners have input into decisions undermine trust.\textsuperscript{47}

Regular face-to-face dialogue between stakeholders is the ideal but this is not always possible or even necessary if conflict is low and shared values and objectives have already been identified. Principled engagement occurs over time through four basic processes: discovery, definition, deliberation and determination. Through this iterative process, partners develop a shared sense of purpose and course of action for achieving their mutual goals. Discovery refers to revealing of individual and shared interests, concerns and values. The definition process characterizes the continuous efforts to set clear guidelines and clarify and adjust expectations of one another. Deliberation refers to a thoughtful examination of issues, listening to others’ perspectives and coming up with a consensus approach that represents the common good. Facilitative leaders must create a “safe” space for such deliberation to take place and for hard conversations and challenging questions to be addressed. Trust is built and strengthened when efforts are made by participants to understand the challenges facing their partner organizations. Finally, principled engagement requires the development of joint decisions on procedures including conflict resolution.\textsuperscript{48}

One of the first employees of Sask Sport said it was no easy task to keep the three groups working together: “There were those who said you’d never put those three groups of people together and have them get along.”\textsuperscript{49} Time proved these early sceptics wrong. Open and ongoing communication between the three partners has always been seen as crucial to maintaining and continuing to make improvements to the system. The leader of the cultural umbrella during the 1990s described how the General Manager of Sask Sport
went to great efforts to keep the partnership strong through regular breakfast meetings with him and his counterpart in the recreational sector. The cultural leader was new to the province and the face-to-face dialogue helped him to gain trust and respect for his counterparts in sport and recreation. He described this period as particularly tense. The lottery system was under a tremendous degree of scrutiny because of the province’s financial situation and the government had just divested itself from tax funding to sport, culture and recreation. Several years of cutbacks had made the cultural sector particularly fractured. “I needed that collegiality to learn and to get a sense of how I should best exercise some influence within the lottery umbrellas,” he said. “Maybe it’s just a Saskatchewan habit — if you can’t come to a 6:30 a.m. breakfast meeting, you’re weak, but we used to meet early in the day because at that time we were trying to develop strategies to demonstrate how the lottery system contributed to health care.”

This cultural leader recalled people telling him that he should be tougher with Sask Sport. “People who didn’t really know how the system worked would just assume in the cultural community that Sask Sport was evil and was the villain of the piece but I argue that they’ve always been very supportive.” This was never more evident, he said, than when it came to Sask Sport’s understanding that the cultural community had been the biggest target of government cutbacks. Government funding to arts, multiculturalism, heritage and museums decreased from just over $2.8 million in the fiscal year ending March 31, 1989 to $561,700 in 1991. By comparison, cuts to sports and recreation were more modest, declining from $560,000 to $299,153 during the same period.
10.2.3.1.1 Establishing Clear Guidelines

Building clear guidelines into the terms and conditions of collaborative governance frameworks is essential. The three leaders of the global organizations spoke about the importance, as well as the difficulty, of educating their membership about the broader public policy needs in their areas and developing concrete, measurable goals to demonstrate to their government partners that lottery funds are serving larger, societal needs. One of the challenges all three sectors face is how to expand the delivery system to meet the needs of the province’s changing demographics.

A senior administrator with SaskCulture expressed frustration with what she sees as a “sense of entitlement” held by some of her organization’s members: “[s]ome of them started getting funding as early as 1980 during a time when there wasn’t much there for criteria.” She spoke about a multicultural study that is being conducted within the cultural community to illustrate this point. A consultant was hired to interview the organizations about the programs and services they were providing (or planning to introduce) for new immigrants: “[o]ne of the prevalent comments [the consultant] got was, ‘Why is SaskCulture doing this? Why are they pushing an agenda where we have to be more sensitive to newcomers? We can hardly serve the people we’ve already got involved.’”52

This SaskCulture employee noted that this example demonstrates the need to remind members of organizations currently benefitting from lottery funding that the mandate of the system extends to the broader public. She stressed that SaskCulture has to repeatedly point out that while the Board of Directors is elected by its members and is accountable to them, this does not give the membership ultimate authority. “We’re quick to say to our membership, yes, you voted for this board, but we don’t serve the members,
we serve the people of Saskatchewan with these public funds and we remind them that they also, although a membership based organization, are also getting this public money to serve the people of Saskatchewan, not just to serve their members. They serve their members as a means to serve the people of Saskatchewan.”53

Due to the turnover of political leadership and staff within the civil service as well as employees and volunteers within the non-governmental organizations, care must be taken to ensure there are ongoing efforts to educate participants (as well as members of the public) of the benefits of the collaboration. This is something that leaders in all three lottery-funded partners have long recognized as important. One long-time cultural sector employee said: “Over the years I think the umbrellas have done an excellent job in educating the politicians (especially the Ministers responsible for lotteries) about the system, and as governments and ministers change that work must always continue.”54

Each private partner in the CGA must also understand the importance of demonstrating that new directions they are proposing have support from the broader communities they represent. Consensus should be reached through consultation efforts as part of the larger goal of having a strong collective voice. Attention must also be taken to develop strategic, focused campaigns that promote the short and long-term goals of the sectors. All partners within the umbrella structure should also understand the importance of cultivating ongoing political and policy relationships — and the need to be open to changes and develop processes that help get support from their political and government partners. Ongoing educational efforts will increase the strength and credibility of the sector and increase the likelihood of long-term success in meeting their strategic objectives.55
Like most partnerships that have survived the test of time, all parties in the Saskatchewan Lotteries system have worked assiduously to make the relationship with government work smoothly. A senior manager in the recreation sector said “[t]he three organizations recognize that if we don’t get along we’re not going to be able to sustain the system. We need to get along and support each other.” He acknowledged the lottery partners have had many heated, behind-closed doors discussions. “At the end of the day we consider what’s best for these sectors. We understand the good thing we’ve got here and that we’ve got to work together.”

His counterpart in the cultural peak organization had a similar response when questioned on how they have managed to keep the three sectors working together. She said:

> The secret is very simple. We know that ultimately the lottery system depends on the good will of the government and so we are going to stand strong, not against government, but to make sure government doesn’t have any reason to put that money towards hospitals or roads because really, it’s such a small amount in the grand circle of things it wouldn’t make much of an impression but it sure makes a lot of benefits for a lot of people in terms of sport, culture and recreation.

10.2.3.1.2 Respecting Autonomy within the Collaborative Context

A trusting relationship within a collaborative framework also requires recognition and appreciation for when, how and under what terms partners will work together on joint initiatives aimed at strengthening the overall system and when organizational partners will remain autonomous and not interfere with each other. This can be achieved by ensuring that a meaningful voice is provided to all participants and that facilitative leaders encourage all parties to listen and respect each other’s perspectives. The bridging agency plays a critical role in facilitating a consensus oriented decision making processes so that all parties can claim ownership of collective goals and objectives.
strategies are regularly employed by the leadership of Sask Sport in working with its partners in culture and recreation in ongoing lottery-license negotiations and efforts to maintain and strengthen their relationship with the provincial government.

Though Sask Sport serves as the primary point of contact with the Ministry and is the lead partner in the negotiations for the lottery license, they have always taken care to ensure that their “sister organizations” — SaskCulture and the Saskatchewan Parks and Recreation Association — are well-versed on all discussions and are at the table when there is a need to demonstrate solidarity and unity of purpose. One senior government official stated Sask Sport officials “made sure that they have processes that allow all three globals to be on top of all the issues they have to be on top of. ... Everyone gets their say even if they might not like what the others are saying.”

10.2.3.1.3 Alliance-building Activities

In addition to the lottery license negotiations, the three organizations regularly come together to coordinate services, exchange information, and develop public education campaigns seen as mutually beneficial to the larger lottery-funded sector. It is not always easy to find consensus on approaching these joint initiatives. Each group brings to the table different organizational cultures, modes of operating and often divergent opinions on how to proceed. However, by ensuring there are clear ground rules and that the processes for the collaborative initiatives are transparent ideological conflict can be resolved or at least minimized. The current CEO of the cultural umbrella organization believes that bringing the different perspectives together is an advantage. “We do a lot of tri-global initiatives and sometimes my staff get so frustrated,” she says. “For most sports people, it’s all about going faster, higher, longer than someone else. With cultural
activities it’s all about questioning, about creating something new. Recreation is just kind of fun and people are a bit of everything.’”

This means that quite different, but complementary, conceptions for planning and executing collaborative endeavours must converge. Cultural people, she suggests, typically stay in the theoretical, creative thinking phase forever while sport people usually want to move forward more quickly. “When my staff are working on something with the Sask Sport people they say ‘those guys they just want to jump ahead without thinking about this.’ I’m sure the Sport people are saying, ‘Can’t you guys ever move forward?’ She is a firm believer that these differences result in better outcomes for the projects they jointly undertake. “You don’t want everybody to be a risk taker or everyone being the type of person who has to have all the i’s dotted and all of the t’s crossed. If you have only the i’s dotted and the t’s crossed you’ll never get anywhere, and if you have the other, you’ll get there but you might make a lot of mistakes along the way.”

10.2.4 EXTRA-ORGANIZATIONAL PROCESSES AND OUTCOMES
A number of important steps are necessary before extra-organizational outcomes which include the influence of public policy and the development of alternative programs that are identified by the broader communities of interest can be achieved.

10.2.4.1 Shared Understanding of Collective Goals
One of the essential drivers of successful collaborations is the ability of stakeholders to develop a shared understanding of what they can collectively achieve. Shared understanding takes the form of common missions, purposes, aims or objectives or alignment of core values. Coming to shared understanding typically implies that stakeholders will work together to determine the relevant knowledge necessary to address
the problems they are working together to resolve. As important as establishing what the priorities are that will be addressed, is determining how success will be measured and how principles of transparency and accountability are evident to all system partners as well as the media and general public.

10.2.4.2 Terms and Conditions and Accountability Measures Jointly Developed

All three voluntary sector communities funded by Saskatchewan Lotteries (Sask Sport, Sask Culture and the Saskatchewan Parks and Recreation Association) are peak associations for their respective sectors. Each is governed by a board of directors elected by, and accountable to, their members, as well as the broader public through strategic priorities identified within the lottery license agreements aimed at increasing access to sport, culture and recreation to underrepresented populations.

A leader of Saskatchewan’s recreation sector described the process which led to the signing of the most recent lottery agreement. A similar spirit of cooperation and collaboration with the provincial government was described by leaders within the sport and cultural sectors.

[w]e invited them [government officials] to be part of our consultations to develop a recreation plan for the province for the next five years. We had a consultation in every district where we took staff and we had these set questions. From these meetings we were able to say that this is what we heard province-wide what was important in recreation. Out of this we were able to develop a strategic plan so that we can demonstrate when we’re giving out lottery monies we know that we’re meeting these objectives—things like accessibility, leadership development, volunteer development; all those kinds of things.

Since government officials were provided the opportunity to work with SPRA to develop their strategic plan, when it came time to determine the public interest priorities in the lottery license there were few disagreements on the overall direction. As the interviewee above added: “There was a really good alignment of everything because it
was based on all this work that had been done in the previous two years.” The process, he says, is not adversarial. “It’s always been about how can we work together to make it better, so that’s what’s really good about it.”63

A former civil servant described the way in which collaboration has become part of the lottery agreement as amended over the years as a “shared perspective on what needs to happen to the system.”64 Another official who spent many years administering other granting programs at the provincial and federal levels stressed that “[w]hat the lottery system has done is extremely unique in terms of a marriage of government public policy and community-based policy. The community has taken a hold of that money and administered it responsibly and put forward programs they make sure are in tune with priorities of the government of the day.”65

A First Nation member of the Sask Sport board of directors described the results of this collaborative governance initiative as follows:

It is amazing what they’ve done and it’s amazing to see how a group of motivated people were able to create such an amazing model of community development that recognizes that one size fits all strategies don’t work. You get motivated community members that say — ‘we see your criteria but it’s not fitting us’ and they are empowered to make the necessary changes to make it work for them. They know their community better than we could possibly ever know but what Sask Sport can offer them is that sage advice. This worked well for this community which is similar to yours.
10.2.4.3 Cultivating Political Support and Being Open to Change

One of the reasons that can be attributed to the system’s longevity is that its leaders have understood the importance of cultivating and maintaining good relationships with the provincial government at both the bureaucratic and political levels. It is not enough to ensure their organizations not resort to partisan political overtures. Efforts must also be made to educate staff and volunteers of the practical realities faced by civil servants and political leaders. Volunteer sector representatives must learn to appreciate the nature of the political cycle and the need for providing government credit for successes that are achieved through the partnership.

This is not always easy for individuals less directly involved in the management of the relationship with government partners. As one former President of the sport federation said, “There were times I probably didn’t like how we pandered to the Minister but I learned that paying that price is worth it because we would be able to retain the license agreement that allowed sport, culture and recreation to operate somewhat independently from government and serve the needs of the community.”66 This individual claimed that learning this lesson has served him well, not just in his volunteer life, but also his professional life where he is in charge of a multi-sport organization within a university setting. “I learned why it makes sense to ensure that the president of the university or the dean or vice-president is out front at certain events and involved and engaged and gets those kinds of opportunities. Why would I have the President up front instead of myself or the coaching staff at this event? Because it pays dividends down the road in terms of support.”
Representatives from the culture and recreation sectors had the same level of appreciation for the need to work with government. One administrator from SPRA acknowledged that there had been a lot of what he termed “government bashing” before he joined the organization. He reported that this kind of unproductive and potentially damaging behaviour was behind them. “We’ve got a partnership. Why wouldn’t we work together and try to make it better as opposed to pointing fingers. That’s the way we’re moving forward. If everyone’s moving forward in that direction it’s hard to try and split us apart because we’re all working together.”

The type of effort to work with government and provide them the opportunity to take credit for successes in the system was appreciated by the civil servants and politicians. One senior-ranking bureaucrat still working for the provincial government, for instance, stated: “Lots of systems and networks that get set up become very, almost insular. They are not open to discussion and change. They sort of protect the status quo. I think the people in the lottery system are very much open to discussion and they’re there for the right reasons. They’re not there thinking about, you know, what happens to my job. They’re thinking about their network and how it benefits the Saskatchewan people.”

10.3 CONCLUSION

Collaborative governance arrangements are not easy to initiate or oversee. Bringing a number of different organizations or sectors together to jointly develop public policy and implement community-based programs is a complex endeavour. Careful attention must be paid by all members of the collaboration in developing the right structures and
implementing procedures and processes that work for everyone in the arrangement. This kind of public management requires that leaders continually reflect on how their behaviours will impact not just members of their own organization, but also those in the other agencies within the collaboration. Trust, which is an essential ingredient to this type of policy system, takes time to nurture. It is also time consuming to implement collective decision-making processes and ensure members within the collaboration have meaningful roles to play. Affording the level of discretion to non-governmental partners that is vital to the success of collaborations is not something that comes easy to most civil servants. Hierarchical reporting relationships, evidenced not just in government agencies but also in many large organizations in the private and nonprofit sector, do not work well in collaborative environments.

Despite the challenges, there are many rewards that can be gained when government and private partners work together to address complex societal problems and deliver public services. Collaborative governance relationships between peak organizations and government bodies have the potential to empower citizens at the local level. This approach can widen available resources from an entrepreneurial citizenry that becomes invested in projects and processes that they see as improving their communities.

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Donahue and Zeckhauser, Collaborative Governance, 32.


Ibid., 342-343.

Ibid., 352.

Ibid.

Ibid., 345.

Peterson and Zimmerman, “Beyond the Individual.”

Ibid.


SA-22.

SV-6.

SA-2.

Ansell and Gash, “Collaborative Governance,” 555.

Donahue and Zeckhauser, Collaborative Governance, 24.

Ansell and Gash, “Collaborative Governance,” 546.


Ibid., 155.

CRV-2.

Sask Sport, Annual General Meeting—Meeting Material 1975, Sask Sport Archives.

SV-29.

CS-4.

The Trust Gets a New Name,” Sask Sport News (Regina, SK: Sask Sport Inc., September 1981), SSA, 3.

CS-4.

Ibid.

Sask Sport, Annual Meeting Working Papers, 1977, SSA.

Sask Sport, Annual Report 1978-79, 9-10, SSA.

CS-4.

CRA-2.

SV-11.

Ibid.

CS-4.

CRA-4.
45 Ibid.
49 SA-3.
50 CRA-6.
52 CRA-4.
53 Ibid.
54 CRA-2
55 Ibid., 155.
56 CRA-8.
57 CRA-4.
58 Ansell and Gash, “Collaborative Governance,” 554.
59 CS-4.
60 CRA-4.
62 CRA-8.
63 Ibid.
64 CS-14.
65 CS-4.
66 SV-25.
67 CRA-8.
68 CS-10.
This study set out to explore the choices available to governments for using revenue from state-directed gambling for public purposes. In particular, it documented the history and outcomes of the approach taken by one Canadian province with its state lottery. Cross-national comparative research outlined in chapter four showed that Saskatchewan is the only jurisdiction in North America and one of only six places in the world where the government licenses a nonprofit agency to both operate a state lottery and work with civil society organizations to determine priorities for these public funds. Saskatchewan presents the unique case where a sport federation has the monopoly license to operate lotteries to raise funds for its members as well as being the primary vehicle for distributing revenues from ticket sales. Sask Sport (the operator of the lottery) in partnership with similar organizations from the culture and recreation sectors, is also the central funding body for amateur sport, providing core funding and project grants for most aspects of the province’s amateur sport system. Employees and volunteers of provincial sport governing bodies who shared their perspectives for this study believe this arrangement has served the people of Saskatchewan well. The result, they contend, is a system driven by volunteers who understand the needs of the communities they serve, better than any government employee ever could.

Before the strengths and weaknesses of this policy model could be examined, a detailed look at the history of this institutional arrangement was required. John Kingdon’s theory of how policy alternatives rise to the top of political agenda setting tables was
used as an explanatory framework to answer the question of why and how Saskatchewan took such a different route with lotteries than other jurisdictions. We saw in chapter five that most aspects of Kingdon’s theory were found to be applicable when tested using data from this case study. As Kingdon suggested, in order for a policy to rise to the political decision-making table three forces must conjoin. The three streams, which include a problem or pressing concern, a policy solution and political will, must come together in order to open a policy window. When changes were made to the *Criminal Code of Canada* in 1969 other provinces quickly embraced the new opportunity to earn revenue from government lotteries. Saskatchewan was a more reluctant participant.

Two factors contributed to the opening of the policy window that pushed the Saskatchewan government to address the issue of lotteries. The first issue was that Saskatchewan citizens were spending their money on lotteries already in place in other provinces. The second reason was that the other western provinces were pushing Saskatchewan to join them as a member of the Western Canada Lottery Foundation. Kingdon’s research, based on case studies in the United States, found that it was rare for civil servants to play the leading role in propelling issues to the top of the political decision-making table. Findings from this Canadian case study suggest there may be more room within Westminster parliamentary systems for career bureaucrats to play roles in setting agendas. This is particularly the case in situations like this one when political leaders are less interested in an issue but are compelled by outside forces to take action. As we saw with the lottery file in Saskatchewan, a politically astute and well-connected civil servant carefully crafted a policy alternative he branded as a “compromise” solution. His novel approach to lotteries satisfied the political leaders he reported to and moved
forward his own agenda of establishing a fundraiser for amateur sport, culture and recreation.

Without this historical understanding it would have been easy to subscribe enlightened political motivation as the reason why Saskatchewan pursued this successful experiment in collaborative governance. Instead credit for this novel system must go to a determined civil servant who saw an opportunity to support a cause he was passionate about.

This case study also extends theory in the area of institutional change. Chapter six documents the steps the lottery partners took to reinforce their funding model and position themselves as capable of taking on more responsibilities. No one, not even the policy entrepreneur responsible for initiating this model, could have predicted how the lottery-funded sectors would evolve and what the collaborative partnership would look like by the turn of the 21st century. However, knowing the mechanisms that led to self-perpetuation and institutional conversion in this policy arena allows for insight into how to direct resources and create structures and processes that influence policy outcomes.

More importantly, is the effort taken in this in this study to document the types of policies that facilitate the building of civil society social capital. Chapter eight described a funding regime that empowers citizens at the community level, involving them in the shaping of public policy and the development of innovative programs. We saw how the nonprofit partners in the lottery-funded sectors in Saskatchewan deliver public programs in a cost-effective and efficient manner that uses this revenue as a way to leverage volunteer commitment and funding from other sources. We also saw that when user-groups are invited to provide more than just input, but are given real responsibility for
decision-making, they hold themselves to high standards of accountability. The greater the personal investment that citizens have in the process, the more determined they will be to ensure their endeavours are successful.

11.1 PUBLIC POLICY IMPLICATIONS

Findings from this case study have implications that extend beyond gambling policy. Other policy areas where private partners deliver public services can gain insight in how the collaborative approach can be used to develop innovative and flexible solutions to policy challenges. Chapter ten presented an analytical framework that documents the processes and institutional structures characteristic of successful collaborative governance arrangements. Though many scholars have written about this form of governance, this is the first attempt to develop an analytical tool that incorporates robust empirical findings with theory from related fields like organizational empowerment, social capital and management of common pool resources.

For civil servants and political leaders, perhaps the most important take-away lesson from this research is that government can facilitate the creation of social capital. This case study documented the type of mechanisms necessary to connect the voluntary sector with government to create a shared sense of purpose and develop programs that facilitate community empowerment. By working in a truly collaborative fashion with private participants governments can maximize their ability to address problems with public funds by leveraging additional resources and garnering community support. Policy environments that encourage the formation and support of a large number of small, civil society organizations hold great promise for fulfilling public mandates.
Civil society partners considering entering collaborations with government to address public needs have just as much to learn from this case study as governments do. Stability in any policy environment over such a long period of time is unusual. Every political administration in the province has encouraged the lottery-funded sectors to grow and thrive. This was not a matter of historical happenstance. The peak organizations that partner with the Saskatchewan government took a number of steps to safeguard and reinforce their funding regime. To start, the partnership benefitted from having a bridging organization like Sask Sport to facilitate the collaborative process.

Public-private collaborations with multiple participants work best when one of the non-governmental partners takes a lead role in facilitating the interaction. Sask Sport is a nonprofit organization like its counterparts in culture and recreation. However, the amateur sport federation has always been the key intermediary between the government and the sectors funded by the lottery. Sask Sport played a critical role in the solidification of the system and remains not only the operator of the fundraiser but a key factor in the continued success of the arrangement.

Facilitating extensive civil society participation, the Saskatchewan funding model stands in marked contrast to most gambling granting programs in Canada and around the world. A number of jurisdictions have developed mechanisms to involve the voluntary sector or community representation in adjudication processes. Agencies like the Trillium Foundation, for instance, have also taken steps, as Saskatchewan has, to ensure that granting programs are insulated from partisan politics and political influence. The primary difference is the Trillium Foundation and most other granting programs provide short-term project funds which do not necessarily support the organization’s core mission.
or mandate. In contrast, sport, culture and recreation associations in Saskatchewan can use most of their lottery funding for core operations. While there are obligations that must be demonstrated to their funders (Sask Sport, SaskCulture and SPRA), organizations that are funded with lottery funds in Saskatchewan have more freedom to adapt programs to changing circumstances or priorities identified by their members.

Other jurisdictions also provide core funding from lotteries to nonprofit central bodies like Sask Sport or Crown agencies that deliver sport, culture and recreation programs. However, again, the model in Saskatchewan is quite different. In most jurisdictions that operate in this manner, revenue from gambling ventures flows through government central revenue funds. From there it is distributed to third parties or crown agencies. There is typically more community involvement and input into how lottery funds are used when revenue is directed to third parties (United Kingdom) as opposed to Crown agencies (New Zealand), but central governments nonetheless wield significant influence when determining priorities for how this money is spent in either of these arrangements.

Peak organizations in Saskatchewan have much more discretion in determining how lottery funding will be utilized. Annual funding for Sask Sport, SaskCulture and SPRA and the groups they in turn allocate resources to does not have to be voted on through the government’s general budgetary process. This means funding is less directly tied to political cycles or the vagaries of the economy that cause the government to prioritize how public funds will be utilized.
11.2 IMPLICATIONS FOR RESEARCH METHODS

While there are many advantages of this governance model to government and private partners, lessons can also be drawn from the methodological approach that was taken to study this policy case. It is hoped that a convincing rationale has been made for the need to incorporate historical analysis into the evaluation process. It was only by piecing together a detailed chronicle of how and why the lottery-funded sport, culture and recreation system in Saskatchewan was initiated and evolved, that such a nuanced analysis of this funding regime was possible. It is also hoped that historians will gain an appreciation from this case study of the importance of speaking to the people who helped initiate and shape the events or programs at the centre of their research. Interviews were vital for this policy history. Sask Sport and Saskatchewan Lotteries, like many private organizations, kept only fragmented and incomplete historical records. Without the assistance of the people who participated in the events documented in the written records, this story would have been left untold.

As we go forward into the digital era, oral history is likely to become an even more important tool for analyzing public policy and learning about the historical events, decisions and rationale behind programs and institutions. Documents which used to find their way into public archives will be lost in cyberspace or unintentionally recorded in formats that become obsolete or difficult to access in the future. Interviews with institutional participants can fill gaps in the historical chronicle and provide understanding of the original intentions of programs or public policy directions. Incorporating grounded theory techniques into oral history policy studies is a natural fit.
Grounded theory offers the policy historian greater ability to analyze institutional structure and document the mechanisms and processes of organizational entities.

11.3 RESEARCH LIMITATIONS AND OPPORTUNITIES FOR FUTURE WORK

The depth of detail in a single case study allows researchers to trace the qualitative aspects of institutional structures and processes and to understand complex social phenomena. A single case study – as long as it is put into a larger comparative context – can also provide useful insights for policy-makers, researchers and community leaders considering similar arrangements. The trade-off is that single case studies of the scope documented in these pages are time consuming and costly to undertake. These reasons likely explain why no scholarly research has been conducted of other cases similar in this subject area. It is therefore not possible to speculate whether similar types of collaborative governance arrangements between government and civil society organizations are in place in these other jurisdictions. While focusing on only one case may be considered a limitation, this study opens up future opportunities for comparative research. The five other jurisdictions where state lotteries are run by the voluntary sector are all interesting and different in their own right and warrant future analysis. In depth case studies are also warranted for collaborative governance arrangements in other policy arenas.

Despite the level of detail that was provided in this dissertation, there is also still room for further research. Though the study was broadened to include focus groups with representatives from the cultural and recreation sectors, there remain some gaps in the historical record about the role volunteers from these communities (especially culture)
played in establishing the lottery system. To start, no clues could be found to answer the question of who deserves the credit for broadening the lottery to include culture and recreation. Bill Clarke, the policy entrepreneur who convinced the province and Sask Sport to enter into this unique collaborative arrangement, is deceased. So, too, is Ed Tchorzewski, the Minister who introduced the lottery legislation and attended inter-provincial talks to establish the Western Canada Lottery. The Deputy Minister of Culture and Youth, the other person at the centre of the decision making process, declined an interview. A future study of the history of the cultural sector in Saskatchewan should attempt to answer this question, as well as other questions, about how lottery funding has impacted these communities.

Future studies which compare and contrast how sport, culture and recreation are funded in other provinces and other jurisdictions around the world are also warranted. Numerous informants for this study expressed the belief that this funding model puts the sport, culture and recreation communities in enviable positions relative to their counterparts in other jurisdictions. However, further research is necessary to corroborate these claims and compare the strengths and weaknesses of this model with approaches used by other provinces. Further research should also be done to assess the extent to which this funding model has benefited different groups within Saskatchewan. In particular, future studies using gender-based analysis is warranted.

Despite these limitations, a number of impressive results were documented. As evidenced in chapter nine, there is room for improvement in the system. Many of the programs initiated by communities and funded through the lottery system show signs of innovation. Further evidence-based research of these local initiatives is warranted. The
Dream Brokers program, which is expanding access to sport, culture and recreation activities to at-risk children, is just one example of an initiative worthy of in depth examination. Demand for this program currently outpaces the amount of funds the Lottery Trust Fund can provide. Study of the educational outcomes of children provided access to these types of opportunities should be used to make the case for further funding from the province and other agencies to supplement lottery dollars. Unless a concerted effort is taken by the provincial government to facilitate dialogue and collaboration in these and in other sectors, attempts to increase participation among vulnerable populations will continue to be piece-meal and not likely to lead to widespread change.

Current political and bureaucratic structures with their traditional emphasis on hierarchical relationships make inter-departmental and inter-agency co-operation difficult but not impossible. The province has already demonstrated what can be done through collaborative governance. Enlightened leadership from government departments and other policy-making partners like the Boards of Education and Health Regions is needed to begin a dialogue about how to work together to solve the type of complex issues discussed in chapter nine. With sport, culture and recreation, the Saskatchewan government has created a policy environment that encourages the formation and support of a large number of small, civil society organizations. Not only does this type of arrangement hold great promise for fulfilling public mandates, it also demonstrates that government can play a role in fostering social capital and community development.
REFERENCES

ORAL HISTORY SOURCES

INTERVIEWS AND FOCUS GROUPS CONDUCTED FOR THIS STUDY

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INTERVIEWS CONDUCTED BY ERNEST ALFRED NICHOLLS

Interviews are part of the Sask Sport Archives which are housed in the Saskatchewan Sports Hall of Fame in Regina, SK.

Alexander, Jack. No date on transcript.


Clark, Don. October 14, 1977.
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Interviews are part of the Sask Sport Archives which are housed in the Saskatchewan Sports Hall of Fame in Regina, SK.

Clarke, Bill. February 11, 1986.
Green, Stan. February 1986.
Tuck, Glenn. February 1986.

INTERVIEW CONDUCTED BY GLENN TUCK

Clarke, Bill. No date on tape. Sask Sport Archives, Saskatchewan Sports Hall of Fame.
ARCHIVAL SERIES

Saskatchewan Archives Board (SAB)

Allan Blakeney Fonds
Cy MacDonald Fonds
Ed Tchorzewski Fonds
Grant Devine Fonds

Sask Sport Archives (SSA)

Saskatchewan Sports Hall of Fame (SSHF)

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“Saskatchewan Ministers,” accessed October 1, 2014,


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_____. “Gambling-For-Profit in Late Modernity.” Ph.D. dissertation, Dalhousie University, 2008.


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Poland, Blake D. “Transcription Quality as a Aspect of Rigor in Qualitative Research.” *Qualitative Inquiry* 1, no. 3 (1995): 290-310.


January 10, 2012
Dr. Bruce Plouffe
Office of Research Services
5th Floor, Room 501.2
Research and Innovation Centre
University of Regina

Dear Dr. Plouffe:

This letter is regarding the work being conducted by Ms. Lynn Gidluck on behalf of Sask Sport Inc. as she is preparing a book on the organizational history of Sask Sport Inc. At the same time she is working on her Ph.D dissertation for the Johnson-Shoyama Graduate School of Public Policy.

Ms. Gidluck has been very upfront with Sask Sport Inc. about the fact that she hopes to use some of the research and insight she gains from the book she is writing for us on the history of Sask Sport for her Ph.D. dissertation. We are satisfied that the research Ms. Gidluck is doing for her Ph.D. dissertation while she is doing her work for us does not pose a potential conflict of interest. In fact, we welcome the fact that Ms. Gidluck will be doing independent research on our organizations that will be the subject of scrutiny by the academic community.

I am the President and Chair of the Board of Directors of Sask Sport Inc. which governs and guides the operation of Saskatchewan Lotteries. As a non-profit organization, the General Manager of Sask Sport Inc. reports to the President, who is elected by the membership of Sask Sport Inc. As President, I oversee the operations of the General Manager who engaged Ms. Gidluck to conduct this research for us. Should you have any questions, please do not hesitate to contact me at: 771-4369.

Sincerely,

Eric Honetschlager, President

CC  Meigen Schmidt, Senior Research Officer, U of R Office of Research Services
     Lucille Legare, Administrative Assistant, U or R Office of Research Services
     Lynn Gidluck
     Dr. Greg Marchildon, Site Director, U of R Johnson-Shoyama Graduate School of Public Policy
I am writing this letter to invite you to participate in a research project entitled: Saskatchewan Lotteries: A History of How Amateur Sport Volunteers Secured the Provincial Lottery as a Fundraiser for Sport, Culture and Recreation. Your participation in this research project will help chronicle how Saskatchewan came to have a unique funding model for its province's sport, culture and recreation sectors. This research is being conducted as part of the requirements for the course Ethnographic Research Methods being taught by Dr. Larena Hoeber, Faculty of Kinesiology and Health Studies, University of Regina, (585-4363).

Additionally, results from this study will serve as exploratory research for a dissertation that I am working on as partial fulfillment of a doctorate of philosophy degree through the Johnson-Shoyama Graduate School of Public Policy at the University of Regina. Dr. Greg Marchildon and Dr. Raymond Blake are co-supervising my dissertation committee. The title of my proposed dissertation is: Gambling and its Impact on the Non-Profit Sector in Canada: A Comparative Policy Analysis of Saskatchewan.

I would like to do an interview with you that will take approximately 60 minutes, either in-person, or over the telephone if circumstances prevent us from meeting face-to-face. Our interview will be audio taped, upon your approval, and transcribed verbatim. You will be given the opportunity to review the transcript and make any changes desired. Should you wish to see the final research paper please feel free to contact me at the address/phone number included below.

There are no known risks to participating in this study. The benefits are that you will be playing an important role in helping to document a previously neglected era of Canadian and Saskatchewan history. Your participation in this project is entirely voluntary and you can answer only those questions that you are comfortable with. Since you played a prominent role as a public figure and/or volunteer during this time period your name will be attributed to the comments that you provide during this interview. However, you have the right to ask that your name not be disclosed in any reports, publications or presentations that are produced from this project. Because there were limited people who were significant in these developments, there is a risk that knowledgeable people will be able to deduce your identity.

You may withdraw from the research project for any reason (including having the right to withdraw all statements made and interview data), at any time without explanation.

Tapes and transcripts of our interview will be stored at the University of Regina in Dr. Larena Hoeber's office for a period of not less than five years and then they will be destroyed. All data will be kept in a locked cabinet and information in computer files will be password protected.
This project has been approved by the Research Ethics Board, University of Regina. If you have any questions or concerns about your rights or treatment as subjects, you may contact the Chair of the Research Ethics Board at (306) 585-4775 or research.ethics@uregina.ca.

Please feel free to ask me any questions regarding the procedures and goals of the study or your role.

Sincerely,

Lynn Gidluck
Ph.D. Student
Johnson-Shoyama Graduate School of Public Policy
University of Regina
110 - 2 Research Drive
Regina, SK S4S 0A2
Phone (306) 584-9807
Email lgidluck@benchmarkpr.ca
I am writing this letter to invite you to participate in a research project entitled: *Government Lotteries and the Regulation of Gambling in Canada*. This research is being conducted as part of the requirements for the course *Studies in Canadian Political History* being taught by Dr. Raymond Blake, Professor, Department of History, Faculty of Arts, University of Regina, (585-4827).

Additionally, results from this study will serve as exploratory research for a dissertation that I am working on as partial fulfillment of a doctorate of philosophy degree through the Johnson-Shoyama Graduate School of Public Policy at the University of Regina. Dr. Greg Marchildon and Dr. Raymond Blake are co-supervising my dissertation committee. The title of my proposed dissertation is: *Gambling and its Impact on the Non-Profit Sector in Canada: A Comparative Policy Analysis of Saskatchewan*

I would like to do an interview with you that will take approximately 60 minutes, either in-person, or over the telephone if circumstances prevent us from meeting face-to-face. Our interview will be audio taped, upon your approval, and transcribed verbatim. You will be given the opportunity to review the transcript and make any changes desired. Should you wish to see the final research paper please feel free to contact me at the address/phone number included below.

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You may withdraw from the research project for any reason (including having the right to withdraw all statements made and interview data), at any time without explanation.

Tapes and transcripts of our interview will be stored at the University of Regina in Dr. Raymond Blake’s office for a period of not less than five years and then they will be destroyed. All data will be kept in a locked cabinet and information in computer files will be password protected.
This project has been approved by the Research Ethics Board, University of Regina. If you have any questions or concerns about your rights or treatment as subjects, you may contact the Chair of the Research Ethics Board at (306) 585-4775 or research.ethics@uregina.ca.

Please feel free to ask me any questions regarding the procedures and goals of the study or your role.

Sincerely,

Lynn Gidluck
Johnson-Shoyama Graduate School of Public Policy
University of Regina
110 - 2 Research Drive
Regina, SK S4S 0A2
Phone (306) 584-9807
Email: lgidluck@benchmarkpr.ca
APPENDIX B-2: CONSENT FORMS FOR PHASE ONE

University of Regina Campus - 3737 Wascana Parkway, Regina, SK Canada S4S 0A2
The Johnson-Shoyama Graduate School of Public Policy, with campuses at the University of Saskatchewan and the University of Regina, is an interdisciplinary centre for public policy research, teaching, outreach and training.

Consent Form

I am willing to participate in the study entitled "Saskatchewan Lotteries: A History of How Amateur Sport Volunteers Secured the Provincial Lottery as a Fundraiser for Sport, Culture and Recreation." This study is being conducted by Lynn Gidluck to fulfill the requirements for a course in Ethnographic Research Methods from the University of Regina. Information gleaned from this study may also be used as part of a dissertation for a Doctor of Philosophy degree that Ms. Gidluck is working on through the University of Regina.

This study is being conducted by: Lynn Gidluck, Ph.D. Student
Johnson-Shoyama Graduate School of Public Policy
University of Regina
110 - 2 Research Drive
Regina, SK S4S 0A2
Phone (306) 584-9807
Email lgidluck@benchmarkpr.ca

This study is being supervised by: Dr. Lorena Hoeber
Faculty of Kinesiology and Health Studies
3737 Wascana Parkway
Regina, SK S4S 0A2
Phone: 306-585-4363
Lorena.Hoeber@uregina.ca

- I understand that the purpose of this study is to gain an understanding of the historical circumstances which led Saskatchewan to have a unique funding model for sport, culture and recreation in Canada.
- Since I played a prominent role as a volunteer and/or public figure during this time period my name will be attributed to the comments that I provide during this interview.
- I have the right to ask that my identity remain confidential if I desire however I understand that since limited people in public office were significant in these developments there is a risk that my identity may be deduced by people knowledgeable about this historical period.
- I voluntarily give the researcher to conduct an interview that will take approximately 60 minutes to complete.
- I give permission to tape record the session.
- I understand that I have the right to review the transcript of the taped interview and make any changes desired.
- Risks and benefits of participation: There are no known or anticipated risks to me as a participant in this study. The benefit is that I can participate in chronicling an important chapter of Canadian history.
- I understand that participation in this study is entirely voluntary and that I am free to withdraw from the study at anytime without any reason or explanation for doing until the
results have been disseminated. This includes the right to withdraw all statements made and interview data.

- I understand that I can request a copy of the results of this research project by contacting Ms. Gidlow at the address/phone number included above.
- I understand that the results of this study will be published and made available to anyone who wishes to increase his or her awareness of the topic.
- I understand that consent forms and all data files (including the audiotapes and transcripts) will be stored at the University of Regina in Dr. Larena Hoeber's office for a period of not less than five years and then they will be destroyed. All data will be kept in a locked cabinet and information in computer files will be password protected. Final disposition will entail deleting the files from the computer.
- I understand that this study was approved by the Research Ethics Board, University of Regina. If I, as a participant, have any questions or concerns about my rights or treatment as a participant, I may contact the Chair of the Research Ethics Board at (306) 585-4772 or at research.ethics@uregina.ca
- I have received a copy of this consent form for my records.

I, __________________________, have read and understand this consent form and agree to take part in this research as a participant in an interview.

_________________________________________  __________________________
Signature of Participant                           Date

_________________________________________  __________________________
Signature of Researcher                          Date
**Consent Form**

I, am willing to participate in the study entitled *Government Lotteries and the Regulation of Gambling in Canada*. This study is being conducted by Lynn Gidluck to fulfill the requirements for a course in History at the University of Regina being taught by Dr. Raymond Blake. Information gleaned from this study may also be used as part of a dissertation for a Doctor of Philosophy degree that Ms. Gidluck is working on through the Johnson-Shoyama Graduate School of Public Policy at the University of Regina.

**This study is being conducted by:**

| Lynn Gidluck  
| Johnson-Shoyama Graduate  
| School of Public Policy  
| University of Regina  
| 110 - 2 Research Drive  
| Regina, SK S4S 0A2  
| Phone (306) 584-6807  
| Email: lgidluck@benchmarkpr.ca |

**This study is being supervised by:**

| Dr. Raymond Blake  
| Faculty of History  
| 3737 Wascana Parkway  
| Regina, SK S4S 0A2  
| Phone: 306-585-4827  
| Raymond.Blake@uregina.ca |

- I understand that the purpose of this study is to gain an understanding of why the federal government devolved responsibility for lotteries and lottery schemes to the provinces.
- I understand that since I played a prominent role as a volunteer and/or public figure during this time period my name will be attributed to the comments that I provide during this interview.
- I have the right to have my identity remain confidential if I desire however I understand that since limited people in public office were significant in these developments there is a risk that my identity may be deduced by people knowledgeable about this historical period.
- I voluntarily give the researcher to conduct an interview that will take approximately 60 minutes to complete.
- I give permission to tape record the session.
- I understand that I have the right to review the transcript of the taped interview and make any changes desired.
- Risks and benefits of participation: There are no known or anticipated risks to me as a participant in this study. The benefit is that I can participate in chronicking an important chapter of Canadian history.
- I understand that participation in this study is entirely voluntary and that I am free to withdraw from the study at anytime without any reason or explanation for doing until the results have been disseminated. This includes the right to withdraw all statements made and interview data.
I understand that I can request a copy of the results of this research project by contacting Ms. Gidluck at the address/phone number included above.

- I understand that the results of this study will be published and made available to anyone who wishes to increase his or her awareness of the topic.
- I understand that consent forms and all data files (including the audiotapes and transcripts) will be stored at the University of Regina in Dr. Raymond Blake’s office for a period of not less than five years and then they will be destroyed.
- All data will be kept in a locked cabinet and information in computer files will be password protected. Final disposition will entail deleting the files from the computer. I understand that this study was approved by the Research Ethics Board, University of Regina.
- If I, as a participant, have any questions or concerns about my rights or treatment as a participant, I may contact the Chair of the Research Ethics Board at (306) 585-4772 or at research.ethics@uregina.ca I have received a copy of this consent form for my records.

I ____________________________________________________________ have read and understand this consent form and agree to take part in this research as a participant in an interview.

______________________________  ____________________________
Signature of Participant            Date

______________________________  ____________________________
Signature of Researcher           Date
APPENDIX B-3: ETHICS APPROVAL LETTER FOR PHASE 1, UNIVERSITY OF REGINA

DATE: February 17, 2011

TO: Lynn Gidluck
2300 Rae Street
Regina, SK S4T 2G2

FROM: Dr. Bruce Plouffe
Chair, Research Ethics Board

Re: For KHS 802 Course: Saskatchewan Lotteries: A History of How Amateur Sport Volunteers Secured the Provincial Lottery as a Fundraiser for Sport, Culture and Recreation, History 803 Course: Government Lotteries and the Regulation of Gambling in Canada (File # 978101)

Please be advised that the University of Regina Research Ethics Board has reviewed your proposal and found it to be:

☐ 1. APPROVED AS SUBMITTED. Only applicants with this designation have ethical approval to proceed with their research as described in their applications. For research lasting more than one year (Section 1F), ETHICAL APPROVAL MUST BE RENEWED BY SUBMITTING A BRIEF STATUS REPORT EVERY TWELVE MONTHS. Approval will be revoked unless a satisfactory status report is received. Any substantive changes in methodology or instrumentation must also be approved prior to their implementation.

☐ 2. ACCEPTABLE SUBJECT TO MINOR CHANGES AND PRECAUTIONS (SEE ATTACHED). Changes must be submitted to the REB and approved prior to beginning research. Please submit a supplementary memo addressing the concerns to the Chair of the REB. Do not submit a new application. Once changes are deemed acceptable, ethics approval will be granted.

☐ 3. ACCEPTABLE SUBJECT TO CHANGES AND PRECAUTIONS (SEE ATTACHED). Changes must be submitted to the REB and approved prior to beginning research. Please submit a supplementary memo addressing the concerns to the Chair of the REB. Do not submit a new application. Once changes are deemed acceptable, ethics approval will be granted.

☐ 4. UNACCEPTABLE AS SUBMITTED. The proposal requires substantial additions or redesign. Please contact the Chair of the REB for advice on how the project proposal might be revised.

Dr. Bruce Plouffe

cc: Dr. Lenn Gidluck – Faculty of Kinesiology and Health Studies
Dr. Raymond Blake – Department of History

* * *

Supplementary memo should be forwarded to the Chair of the Research Ethics Board at the Office of Research Services (Research and Innovation Centre, Room 109) or by e-mail to research.ethics@uregina.ca

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Date

Dear: ______________

I am writing this letter to invite you to participate in a research project entitled, *An Organizational History of Sask Sport Inc. and Its Role in Coordinating the Provincial Lottery System in Saskatchewan*.

This research will be used to write a book for Sask Sport Inc. which chronicles their organizational history. Results from this study will also serve as exploratory research for a dissertation that I am working on as partial fulfillment of a doctorate of philosophy degree through the Johnson-Shoyama Graduate School of Public Policy at the University of Regina. Dr. Greg Marchildon and Dr. Raymond Blake are co-supervising my dissertation committee. The title of my proposed dissertation is, *Gambling and its Impact on the Non-Profit Sector in Canada: A Comparative Policy Analysis of Saskatchewan*.

I would like to do an interview with you that will take approximately 60 minutes, either in-person, or over the telephone if circumstances prevent us from meeting face-to-face. Our interview will be audio taped, upon your approval, and transcribed verbatim. You will be given the opportunity to review the transcript and make any changes desired. Should you wish to see the final research paper please feel free to contact me at the address/phone number included below.

I would like to also request permission to use additional information for my book and/or my dissertation that I may gain from periodic conversations (either individually or in group situations) that are organized to review written material or to provide clarification or further elaboration.

There are no known risks to participating in this study. The benefits are that you will be playing an important role in helping to document a previously neglected era of Canadian and Saskatchewan history. Your participation in this project is entirely voluntary and you can answer only those questions that you are comfortable with. Since you played a prominent role as a public figure, civil servant, volunteer or staff person during this time period your name will be attributed to the comments that you provide during this interview if used for the Sask Sport book. If used for my dissertation only a title will be used such as “volunteer, civil servant, minister, staff person”.

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However, you have the right to ask that your name not be disclosed in any reports, publications or presentations that are produced from this project. Because there were limited people who were significant in these developments, there is a risk that knowledgeable people will be able to deduce your identity.

You may withdraw from the research project for any reason, without explanation (including having the right to withdraw all statements made and interview data), up until or around May 2013 when dissemination of the research results will be beginning.

Tapes and transcripts of our interview will be stored at the University of Regina in Dr. Greg Marchildon’s office for a period of not less than five years and then they will be destroyed. All data will be kept in a locked cabinet and information in computer files will be password protected.

This project has been approved by the Research Ethics Board, University of Regina. If you have any questions or concerns about your rights or treatment as subjects, you may contact the Chair of the Research Ethics Board at (306) 585-4775 or research.ethics@uregina.ca.

Please feel free to ask me any questions regarding the procedures and goals of the study or your role.

Sincerely,

Lynn Gidhuck  
Ph.D. Student  
Johnson-Shoyama Graduate School of Public Policy  
University of Regina  
110 - 2 Research Drive  
Regina, SK S4S 0A2  
Phone (306) 584-9807  
Email: lgidhuck@benchmarkpr.ca
APPENDIX C-2: PHASE 2 CONSENT FORM

An Organizational History of Sask Sport Inc. and its Role in Coordinating the Provincial Lottery System in Saskatchewan

Consent Form

I, ____________________________, am willing to participate in the study entitled An Organizational History of Sask Sport Inc. and its Role in Coordinating the Provincial Lottery System in Saskatchewan. This study is being conducted by Lynn Giduck to write a book on the history of Sask Sport Inc. Information gleaned from this study will also be used as part of a dissertation for a Doctor of Philosophy degree that Ms. Giduck is working on through the University of Regina.

This study is being conducted by: Lynn Giduck, Ph.D. Student
Johnson-Shoyama Graduate School of Public Policy
University of Regina
110 - 2 Research Drive
Regina, SK S4S 0A2
Phone (306) 584-9807
Email: lgiduck@benchmarkpr.ca

This study is being supervised by: Dr. Greg Marchildon
110 - 2 Research Drive
Innovation Place, Regina SK, Canada, S4S 7H1
Email: greg.marchildon@uregina.ca
Phone: (306) 383-5464

- I understand that the purpose of this study is to gain an understanding of the historical circumstances which led Saskatchewan to have a unique funding model for sport, culture, and recreation in Canada.
- Since I played a prominent role as a volunteer, public figure, civil servant or staff person during this time period my name will be attributed to the comments that I provide during this interview if used for the Sask Sport book. If your comments are used for my dissertation only a title such as “volunteer, civil servant, minister, staff person” will be used.
- I have the right to ask that my identity remain confidential if I desire however I understand that since limited people in public office were significant in these developments there is a risk that my identity may be deduced by people knowledgeable about this historical period.
- I voluntarily give the researcher to conduct an interview that will take approximately 60 minutes to complete.
- I give permission to tape record the session.
I also grant permission to use additional information gained from periodic “member checks” or conversations (either individually or in group situations) that are organized to review written material or to provide clarification or further elaboration.

I understand that I have the right to review the transcript of the taped interview and make any changes desired.

Risks and benefits of participation: There are no known or anticipated risks to me as a participant in this study. The benefit is that I can participate in chronicling an important chapter of Canadian history.

I understand that participation in this study is entirely voluntary and that I am free to withdraw from the study at anytime without any reason or explanation for doing up until or around May 2013 when I will begin disseminating research results. This includes the right to withdraw all statements made and interview data.

I understand that I can request a copy of the results of this research project by contacting Ms. Giduck at the address/phone number included above.

I understand that the results of this study will be published and made available to anyone who wishes to increase his or her awareness of the topic.

I understand that consent forms and all data files (including the audiotapes and transcripts) will be stored at the University of Regina in Dr. Marchildon’s office for a period of not less than five years and then they will be destroyed. All data will be kept in a locked cabinet and information in computer files will be password protected. Final disposition will entail deleting the files from the computer.

I understand that this study was approved by the Research Ethics Board, University of Regina. If I, as a participant, have any questions or concerns about my rights or treatment as a participant, I may contact the Chair of the Research Ethics Board at (306) 585-4772 or at research.ethics@uregina.ca

I have received a copy of this consent form for my records.

I, ____________________________________________, have read and understand this consent form and agree to take part in this research as a participant in an interview.

________________________________________________________________________  __________________________________________________________________________

Signature of Participant                                      Date

________________________________________________________________________  __________________________________________________________________________

Signature of Researcher                                      Date
APPENDIX C-3: ETHICS APPROVAL LETTER, PHASE 2, UNIVERSITY OF REGINA

OFFICE OF RESEARCH SERVICES
MEMORANDUM

DATE: January 17, 2012

TO: Lynn Odluck
2308 Rae Street
Regina, SK S4T 2G2

FROM: Dr. Bruce Plouffe
Chair, Research Ethics Board

Re: An Organizational History of Sask Sport Inc. and its Role in Coordinating the Provincial Lottery System in Saskatchewan (File #2251112)

Please be advised that the University of Regina Research Ethics Board has reviewed your proposal and found it to be:

☐ 1. APPROVED AS SUBMITTED. Only applicants with this designation have ethical approval to proceed with their research as described in their applications. For research lasting more than one year (Section 17), ETHICAL APPROVAL MUST BE RENEWED BY SUBMITTING A BRIEF STATUS REPORT EVERY TWELVE MONTHS. Approval will be revoked unless a satisfactory status report is received. Any substantive changes in methodology or instrumentation must also be approved prior to their implementation.

☐ 2. ACCEPTABLE SUBJECT TO MINOR CHANGES AND PRECAUTIONS (SEE ATTACHED). Changes must be submitted to the REB and approved prior to beginning research. Please submit a supplementary memo addressing the concerns to the Chair of the REB **Do not submit a new application.** Once changes are deemed acceptable, ethical approval will be granted.

☐ 3. ACCEPTABLE SUBJECT TO CHANGES AND PRECAUTIONS (SEE ATTACHED). Changes must be submitted to the REB and approved prior to beginning research. Please submit a supplementary memo addressing the concerns to the Chair of the REB **Do not submit a new application.** Once changes are deemed acceptable, ethical approval will be granted.

☐ 4. UNACCEPTABLE AS SUBMITTED. The proposal requires substantial additions or redesign. Please contact the Chair of the REB for advice on how the project proposal might be revised.

Dr. Bruce Plouffe

cc: Dr. Greg Marchildon – Johnson-Shoyama Graduate School of Public Policy

**supplementary memo should be forwarded to the Chair of the Research Ethics Board at the Office of Research Services (Research and Innovation Centre, Room 523) or by e-mail to research.ethics@uregina.ca**

Phone: (306) 585-4175
Fax: (306) 585-4403
Appendix D-1: PHASE 3 RECRUITMENT LETTER

A Policy History of the Lottery-based Voluntary Sector in Saskatchewan

I am writing this letter to invite you to participate in a research project entitled: A Policy History of the Lottery-based Voluntary Sector in Saskatchewan. This research will be used for a dissertation that I am working on as partial fulfillment of a doctorate of philosophy degree through the Johnson-Shoyama Graduate School of Public Policy at the University of Regina. Dr. Greg Marchildon and Dr. Raymond Blake are co-supervising my dissertation committee. The title of my proposed dissertation is: Gambling and its Impact on the Non-Profit Sector in Canada: A Comparative Policy Analysis of Saskatchewan

I would like to do an interview with you that will take approximately 60 minutes, either in-person, or over the telephone if circumstances prevent us from meeting face-to-face. Our interview will be audio taped, upon your approval, and transcribed verbatim. You will be given the opportunity to review the transcript and make any changes desired. Should you wish to see the final research paper please feel free to contact me at the address/phone number included below.

There are no known risks to participating in this study. The benefits are that you will be playing an important role in helping to document a previously neglected era of Canadian and Saskatchewan history. Your participation in this project is entirely voluntary and you can answer only those questions that you are comfortable with. Your name will not be attributed to the comments that you provide during this interview. However, because there were limited people who were significant in these developments, there is a risk that knowledgeable people will be able to deduce your identity.

You may withdraw from the research project for any reason (including having the right to withdraw all statements made and interview data), at any time without explanation.

Tapes and transcripts of our interview will be stored at the University of Regina in Dr. Greg Marchildon’s office for a period of not less than five years and then they will be destroyed. All data will be kept in a locked cabinet and information in computer files will be password protected.

This project has been approved by the Research Ethics Board, University of Regina. If you have any questions or concerns about your rights or treatment as subjects, you may contact the Chair of the Research Ethics Board at (306) 585-4775 or research.ethics@uregina.ca.

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Please feel free to ask me any questions regarding the procedures and goals of the study or your role.

Sincerely,

Lynn Gidluck  
Ph.D. Student  
Johnson-Shoyama Graduate School of Public Policy  
University of Regina  
110 - 2 Research Drive  
Regina, SK S4S 0A2  
Phone (306) 584-9807  
Email: lgidluck@benchmarkpr.ca
A Policy History of the Lottery-based Voluntary Sector in Saskatchewan

Consen Form

I, ____________, am willing to participate in the study entitled A Policy History of the Lottery-based Voluntary Sector in Saskatchewan. This study is being conducted by Lynn Giduck and will be used as part of a dissertation for a Doctor of Philosophy degree that she is working on through the University of Regina.

This study is being conducted by: 
Lynn Giduck, Ph.D. Student
Johnson-Shoyama Graduate School of Public Policy
University of Regina
110 - 2 Research Drive
Regina, SK S4S 0A2
Phone (306) 584-9807
Email: lgiduck@benchmarkpr.ca

This study is being supervised by: 
Dr. Greg Marchildon
110 - 2 Research Drive
Innovation Place, Regina SK, Canada, S4S 7H1
Email: greg.marchildon@uregina.ca
Phone: (306) 585-5484

- I understand that the purpose of this study is to gain an understanding of the historical circumstances which led Saskatchewan to have a unique funding model for sport, culture, and recreation in Canada.
- My identity will remain confidential however I understand that since limited people with the civil service and/or volunteer community were significant in these developments there is a risk that my identity may be deduced by people knowledgeable about this historical period.
- I voluntarily give the researcher to conduct an interview that will take approximately 60 minutes to complete.
- I give permission to tape record the session.
- I understand that I have the right to review the transcript of the taped interview and make any changes desired.
Risks and benefits of participation: There are no known or anticipated risks to me as a participant in this study. The benefit is that I can participate in chronicling an important chapter of Canadian history.

I understand that participation in this study is entirely voluntary and that I am free to withdraw from the study at anytime without any reason or explanation for doing until the results have been disseminated. This includes the right to withdraw any statements made and interview data.

I understand that I can request a copy of the results of this research project by contacting Ms. Gidluck at the address/phone number included above.

I understand that the results of this study will be published and made available to anyone who wishes to increase his or her awareness of the topic.

I understand that consent forms and all data files (including the audiotapes and transcripts) will be stored at the University of Regina in Dr. Marchildon’s office for a period of not less than five years and then they will be destroyed. All data will be kept in a locked cabinet and information in computer files will be password protected. Final disposition will entail deleting the files from the computer.

I understand that this study was approved by the Research Ethics Board, University of Regina. If I, as a participant, have any questions or concerns about my rights or treatment as a participant, I may contact the Chair of the Research Ethics Board at (306) 585-4772 or at research.ethics@uregina.ca.

I have received a copy of this consent form for my records.

I, ________________________________, have read and understand this consent form and agree to take part in this research as a participant in an interview.

______________________________  ______________________________
Signature of Participant  Date

______________________________  ______________________________
Signature of Researcher  Date
DATE: July 26, 2012

TO: Lynn Giduck
2368 Rae Street
Regina, SK S4T 2G2

FROM: Dr. Larena Hoeber
Chair, Research Ethics Board

Re: A Policy History of the Lottery-Based Voluntary Sector in Saskatchewan: A Comparative Analysis [File # 0151213]

Please be advised that the University of Regina Research Ethics Board has reviewed your proposal and found it to be:

☐ 1. APPROVED AS SUBMITTED. Only applicants with this designation have ethical approval to proceed with their research as described in their applications. For research lasting more than one year (Section 1F), ETHICAL APPROVAL MUST BE RENEWED BY SUBMITTING A BRIEF STATUS REPORT EVERY TWELVE MONTHS. Approval will be revoked unless a satisfactory status report is received. Any substantive changes in methodology or instrumentation must also be approved prior to their implementation.

☐ 2. ACCEPTABLE SUBJECT TO MINOR CHANGES AND PRECAUTIONS (SEE ATTACHED). Changes must be submitted to the REB and approved prior to beginning research. Please submit a supplementary memo addressing the concerns to the Chair of the REB. ** Do not submit a new application. Once changes are deemed acceptable, ethical approval will be granted.

☐ 3. ACCEPTABLE SUBJECT TO CHANGES AND PRECAUTIONS (SEE ATTACHED). Changes must be submitted to the REB and approved prior to beginning research. Please submit a supplementary memo addressing the concerns to the Chair of the REB. ** Do not submit a new application. Once changes are deemed acceptable, ethical approval will be granted.

☐ 4. UNACCEPTABLE AS SUBMITTED. The proposal requires substantial additions or redesign. Please contact the Chair of the REB for advice on how the project proposal might be revised.

Dr. Larena Hoeber

cc: Dr. Greg Marchidon – Johnson-Shoyama Graduate School of Public Policy

** supplementary memo should be forwarded to the Chair of the Research Ethics Board at the Office of Research Services (Research and Innovation Centre, Room 109) or by e-mail to research.ethics@uregina.ca

Phone: (306) 966-4775
Fax: (306) 966-4933

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APPENDIX E-1: TELEPHONE SCRIPT AND FOLLOW-UP LETTER FOR FOCUS GROUPS

Telephone Script

Initial Contact – telephone script

Hi. My name is Lynn Gidluck. I am a Ph.D. student in the Johnson-Shoyama Graduate School of Public Policy at the University of Regina.

For my Ph.D. dissertation I am investigating how sport, culture and recreation in Saskatchewan is funded. In particular, I am interested in learning about the strengths and weaknesses of the provincial lottery system.

I am looking for individuals who have [worked for] or [volunteered for] a lottery-funded [sport, culture or recreation] organization for five years or more and were or are in a position of decision-making authority within the organization [Executive Director in the case of staff]. [President or Chair of the Board] in the case of volunteers. Would you qualify?

IF YES, PROCEED, IF NO ASK THEM IF THEY CAN PASS THE GIVE YOU THE NAME AND NUMBER OF AN APPROPRIATE PERSON IN THEIR ORGANIZATION.

I am holding a focus group with [culture, recreation or sport] [staff or volunteers] on [insert date] at [insert time] at [insert location]. I am hoping you will agree to help me with my research by joining us.

Participation in my study is completely voluntary. Staff at [Sask Sport, Sask Culture or the Saskatchewan Parks and Recreation Association] are not involved with this project. They will not be participating in the focus group. I have already gotten the perspectives of Sask Sport, Sask Culture and SPRA staff through a series of interviews. Now I am seeking to find out what staff and volunteers of the organizations they fund think about the lottery system.

I will be keeping the names of participants and the organizations they represent confidential and will be asking anyone who participates to do the same. I would like to assure you that if your comments are used in my dissertation or in any presentations or publications that result from this focus/discussion group I will only be using a title such as “cultural volunteer” or “employee of provincial recreation organization”, to identify you. The name of individual organizations will not be identified. No one will hear the tapes or see the transcripts from the focus group except me and my research advisor.

Of course, because of the nature of focus group discussions, I can’t guarantee that everyone in the focus group will adhere to my desire to keep the information we talk about confidential. Also, it is important to recognize that in a small community like Saskatchewan, people are identifiable to some degree by their views and opinions. Because of this I will be reminding everyone to make only those comments that they would be comfortable making in a public setting; and to hold back making comments that they would not say publicly.
This project has been approved on ethical grounds by the U of R Research Ethics Board on [insert date].

If you choose to take part, you will participate in a group discussion about the lottery system and funding to [amateur sport, culture or recreation] with approximately ten to twelve individuals in a similar position to you (either long-serving volunteer or staff person to provincial cultural, sport or recreation body).

The focus groups will be separated by sector and involvement. For example, if you are a volunteer from the cultural sector only other cultural volunteers will be in attendance during the session you attend. Similarly, if you are an employee from a sport organization your focus group will consist only of other staff of provincial sport governing bodies.

The focus/discussion group will take approximately sixty to ninety minutes and will be audio-taped to increase accuracy and to reduce the chance of misinterpreting what anyone says.

Is this something you would consider doing? [IF THEY SAY NO, THANK THEM FOR THEIR TIME. IF THEY SAY YES SAY:]

Great! If you provide me with your email address I’ll send you an official invitation to participate which provides more details. I’ll also send you a copy of the ethics consent form which all participants will be required to sign in order to take part in the focus group.

Lynn
Dear [Name]:

I am writing this letter as a follow-up to our recent conversation expressing an interest in participating in a focus group exploring the strengths and weaknesses of the lottery-funded sport, culture and recreation system in Saskatchewan.

As I mentioned when we spoke on the telephone, I am a Ph.D. student at the University of Regina in the Johnson-Shoyama Graduate School of Public Policy. Dr. Greg Marchildon is my supervisor. The title of my proposed dissertation is: *Gambling and its Impact on the Non-Profit Sector in Canada: A Comparative Policy Analysis of Saskatchewan*.

Participation in my study is completely voluntary. Staff at [Sask Sport, Sask Culture or the Saskatchewan Parks and Recreation Association] are not involved with this project. They will not be participating in the focus group. I have already gotten the perspectives of Sask Sport, Sask Culture and SPRA staff through a series of interviews. Now I am seeking to find out what staff and volunteers of the organizations they fund think.

There are no known risks to participating in this study. The benefits are that you will be playing an important role in helping to others learn about a unique government/voluntary sector funding arrangement.

Your participation in this project is entirely voluntary and you can answer only those questions that you are comfortable with. Your name will not be attributed to the comments that you provide during the focus group. I will be keeping the names of participants and the organizations they represent confidential and will be asking anyone who participates to do the same. I would like to assure you that if your comments are used in my dissertation or in any presentations or publications that result from this focus/discussion group I will only be using a title such as “cultural volunteer” or “employee of provincial recreation organization”, to identify you. The name of individual organizations will not be identified. No one will hear the tapes or see the transcripts from the focus group except me and my research advisor.

However, because of the nature of focus group discussions, I can’t guarantee that everyone in the group will adhere to my desire to keep the information we talk about confidential. Also because we live in a relatively small community, people are identifiable to some degree by their views and opinions. Because of this I will be reminding everyone to make only those comments that they...
would be comfortable making in a public setting; and to hold back making comments that they
would not say publicly.

Once the transcript of the focus session has been completed you will have the opportunity, if
requested, to review what you said and edit your comments as you see fit.
You may withdraw from the research project for any reason, without explanation (including
having the right to withdraw all statements made during the focus group), at any time between
the date of the focus group and up until or around June 2014. After this date, it is possible that
some form of research dissemination will have already occurred and it may not be possible to
withdraw your data.

The focus group will take between sixty to ninety minutes and will be audio-taped.
Tapes and transcripts of the focus groups will be stored at the University of Regina in Dr. Greg
Marchildon’s office for a period of not less than five years and then they will be destroyed. All
data will be kept in a locked cabinet and information in computer files will be password
protected.

This project has been approved by the Research Ethics Board, University of Regina. If you have
any questions or concerns about your rights or treatment as subjects, you may contact the Chair
of the Research Ethics Board at (306) 585-4775 or research.ethics@uregina.ca.

Please feel free to ask me any questions regarding the procedures and goals of the study or your
role.

Sincerely,

Lynn Gidluck
Ph.D. Student
Johnson-Shoyama Graduate School of Public Policy
University of Regina
110 - 2 Research Drive
Regina, SK S4S 0A2
Phone (306) 584-9807
Email: gidlynn@uregina.ca

Dr. Greg Marchildon
110-2 Research Drive
Innovation Place
University of Regina
Regina, SK
S4S 7H1
greg.marchildon@uregina.ca
APPENDIX E-2: CONSENT FORM, PHASE 4

Project Title: A Policy History of the Lottery-Based Voluntary Sector in Saskatchewan: A Comparative Analysis

Researcher(s): Lynn Gidluck, Ph.D. student, Johnson Shoyama Graduate School of Public Policy, University of Regina, 110 - 2 Research Drive, Regina, SK, S4S 0A2, (306) 584-9807, gidylynn@uregina.ca

Supervisor: Dr. Greg Marchidon, Johnson-Shoyama Graduate School of Public Policy, 110 - 2 Research Drive, Regina, SK, S4S 7H1, (306) 585-5464, greg.marchidon@uregina.ca

Purpose(s) and Objective(s) of the Research:
- This research is being conducted for a Ph.D. dissertation which examines the strengths and weaknesses of the lottery-funded sport, culture and recreation system in Saskatchewan.

Procedures:
- You will participate in a group discussion with approximately ten to twelve individuals who are either long-serving volunteers or employees of lottery-funded sport, culture and recreation organizations.
- The focus/discussion groups will be separated by sector and involvement. For example, if you are a volunteer from the cultural sector only other cultural volunteers will be in attendance during the session you attend. Similarly, if you are an employee from a sport organization your focus group will consist only of other staff of provincial sport governing bodies.
- The focus/discussion group will take approximately sixty to ninety minutes and will be audio-taped to increase accuracy and to reduce the chance of misinterpreting what anyone says.
- Please feel free to ask any questions regarding the procedures and goals of the study or your role.

Funded by: Social Sciences and Humanities Research Council (Doctoral Scholarship)

Potential Risks:
There are no known or anticipated risks to you by participating in this research.

Potential Benefits:
- You will be helping to chronicle the strengths and weaknesses of a unique funding model and collaborate partnership between the non-profit sector and government which may be of interest to policy analysts considering implementing similar partnerships.

Compensation: No compensation will be provided.

Confidentiality:
- If your comments are used in any presentations or publications that result from this focus/discussion group only a title such as "cultural volunteer" or "employee of provincial recreation organization", etc. will be used to identify you.
- You are asked that when you learn about someone else's views during this focus/discussion group you keep them confidential. Having said this, and having made this request, there is no guarantee that this request will be honored by everyone in the room.
- It is important to recognize that in a small community like Saskatchewan, people are identifiable to some degree by their views and opinions so you are asked to make only those comments that you would be comfortable making in a public setting; and to hold back making comments that you would not say publicly.

Storage of Data:
- Consent forms and all data files (including the audiotapes and transcripts) of the focus group will be stored at the University of Regina in Dr. Marchidon's offices for a period of not less than five years and then they will be destroyed. All data will be kept in a locked cabinet and information in computer files will be password protected. Final disposition will entail deleting the files from the computer.
Right to Withdraw:

- Your participation is voluntary and you can answer only those questions that you are comfortable with. You may withdraw from the research project for any reason, at any time without explanation or penalty of any sort.
- Once the transcript of the focus session has been completed you will have the opportunity, if requested, to review what you said and edit your comments as you see fit.
- Should you wish to withdraw, you will have the opportunity to review the transcript of the focus/discussion group and strike out any quotes that you made during the session.
- Your right to withdraw data from the study will apply up until or around June 2014. After this date, it is possible that some form of research dissemination will have already occurred and it may not be possible to withdraw your data.

Follow up:

- To obtain results from the study, please contact Ms. Gidluck at the address/phone number included below.

Questions or Concerns:

- Contact the researcher and/or her supervisor using the information at the top of page 1.
- This project has been approved on ethical grounds by the U of R Research Ethics Board on July 23, 2013. Any questions regarding your rights as a participant may be addressed to the committee at (585-4775 or research.ethics@uregina.ca). Out of town participants may call collect.

Lynn Gidluck
Ph.D. Student
Johnson-Shoyama Graduate School of Public Policy
University of Regina
110 - 2 Research Drive
Regina, SK S4S 0A2
Phone (306) 584-9807
Email: gidlynn@uregina.ca

Dr. Greg Marchildon
110 - 2 Research Drive
Innovation Place, Regina SK, Canada, S4S 7H1 Email: greg.marchildon@uregina.ca
Phone: (306) 585-5464

Consent:

Your signature below indicates that you have read and understand the description provided, that I have had an opportunity to ask questions and that your questions have been answered. I consent to participate in the research project. A copy of this Consent Form has been given to me for my records.

I also hereby affirm that I will not communicate or in any manner disclose publicly information discussed during the course of this focus group interview. I agree not to talk about material relating to this study or interview with anyone outside of my fellow focus group members and the researcher.

Name of Participant __________________________
Signature __________________________

Researcher’s Signature __________________________
Date __________________________

A copy of this consent will be left with you, and a copy will be taken by the researcher.
APPENDIX E-3: ETHICS APPROVAL LETTER, PHASE 4, UNIVERSITY OF REGINA

OFFICE FOR RESEARCH, INNOVATION AND PARTNERSHIP
Regina, Saskatchewan, Canada S4S 0A2
Phone: 306.585.4775 Fax: 306.585.4893
www.uregina.ca/forip

DATE: July 22, 2013

TO: Lynn Giduck
2368 Rose Street
Regina, SK S4T 2G2

FROM: Dr. Larena Hosber
Chair, Research Ethics Board

Re: A Policy History of the Lottery-Based Voluntary Sector in Saskatchewan: A Comparative Analysis (File # 02S1314)

Please be advised that the University of Regina Research Ethics Board has reviewed your proposal and found it to be:

☐ 1. APPROVED AS SUBMITTED. Only applicants with this designation have ethical approval to proceed with their research as described in their applications. For research lasting more than one year (Section 1F), ETHICAL APPROVAL MUST BE RENEWED BY SUBMITTING A BRIEF STATUS REPORT EVERY TWELVE MONTHS. Approval will be revoked unless a satisfactory status report is received. Any substantive changes in methodology or instrumentation must also be approved prior to their implementation.

☐ 2. ACCEPTABLE SUBJECT TO MINOR CHANGES AND PRECAUTIONS (SEE ATTACHED). Changes must be submitted to the REB and approved prior to beginning research. Please submit a supplementary memo addressing the concerns to the Chair of the REB.** Do not submit a new application. Once changes are deemed acceptable, ethical approval will be granted.

☐ 3. ACCEPTABLE SUBJECT TO CHANGES AND PRECAUTIONS (SEE ATTACHED). Changes must be submitted to the REB and approved prior to beginning research. Please submit a supplementary memo addressing the concerns to the Chair of the REB.** Do not submit a new application. Once changes are deemed acceptable, ethical approval will be granted.

☐ 4. UNACCEPTABLE AS SUBMITTED. The proposal requires substantial additions or redesign. Please contact the Chair of the REB for advice on how the project proposal might be revised.

[Signature]

Dr. Larena Hosber

cc: Dr. Greg Meredith – Johnson-Shoyama Graduate School of Public Policy

** Supplementary memo should be forwarded to the Chair of the Research Ethics Board at the Office for Research, Innovation and Partnership (Research and Innovation Centre, Room 109) or by e-mail to research.ethics@uregina.ca

Phone: (306) 585-4775 Fax: (306) 585-4933

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