

**WORKING PAPERS
OF
THE JOHNS HOPKINS
COMPARATIVE NONPROFIT SECTOR PROJECT**

**Lester M. Salamon
Director**

***The Nonprofit Sector:
For What and for Whom?***

**Lester M. Salamon
Leslie C. Hems
and
Kathryn Chinnock**

Johns Hopkins University

2000

Suggested form of citation:

Salamon, Lester M., Leslie C. Hems, and Kathryn Chinnock. "The Nonprofit Sector: For What and for Whom?" *Working Papers of the Johns Hopkins Comparative Nonprofit Sector Project*, no. 37. Baltimore: The Johns Hopkins Center for Civil Society Studies, 2000.

ISBN 1-886333-44-0

© The Johns Hopkins University Center for Civil Society Studies, 2000
All rights reserved

Center for Civil Society Studies
Institute for Policy Studies
The Johns Hopkins University
3400 N. Charles Street
Baltimore, Maryland 21218-2688
USA

Institute for Policy Studies

Wyman Park Building / 3400 North Charles Street / Baltimore, MD 21218-2688
410-516-7174 / FAX 410-516-8233 / E-mail: ccss@jhunix.hcf.jhu.edu

Center for Civil Society Studies

Preface

This is one in a series of working papers produced under the Johns Hopkins Comparative Nonprofit Sector Project (CNP), a collaborative effort by scholars around the world to understand the scope, structure, and role of the nonprofit sector using a common framework and approach. Begun in 1989 in 13 countries, the Project continues to expand, currently encompassing about 40 countries.

The working papers provide a vehicle for the initial dissemination of the work of the Project to an international audience of scholars, practitioners and policy analysts interested in the social and economic role played by nonprofit organizations in different countries, and in the comparative analysis of these important, but often neglected, institutions.

Working papers are intermediary products, and they are released in the interest of timely distribution of Project results to stimulate scholarly discussion and inform policy debates. A full list of these papers is provided inside the back cover.

The production of these working papers owes much to the devoted efforts of our project staff. The present paper benefited greatly from the editorial work of Regina List, the project manager; Mimi Bilzor, communications associate; Kathryn Chinnock, research assistant; and Brittany Anuskiewicz, project assistant. On behalf of the project's core staff, I also want to express our deep gratitude to our project colleagues around the world, to the International Advisory Committee that is helping to guide our work, and to the many sponsors of the project listed at the end of this paper.

The views and opinions expressed in these papers are those of the authors and do not necessarily represent the views or opinions of the institutions with which they are affiliated, The Johns Hopkins University, its Institute for Policy Studies, the Center for Civil Society Studies, or any of their officers or supporters.

We are delighted to be able to make the early results of this project available in this form and welcome comments and inquiries either about this paper or the project as a whole.

Lester M. Salamon
Project Director



*The Nonprofit Sector: For What and for Whom?*¹

Introduction

Few questions about the nonprofit sector are more fundamental, but also more difficult to answer, than the question of the impact this set of organizations has. Beliefs about this matter are plentiful, of course, and are often firmly held (Tandon and Naidoo, 1999). However, systematic evidence to support these beliefs has been difficult to assemble, leaving observers dependent on anecdotes whose generalizability is often difficult to assess. As a consequence, while the scope and structure of the nonprofit sector is beginning to come into clearer focus around the world (Salamon et al. 1999),² we remain very much in the dark about what difference these organizations actually make.³

The purpose of this paper is to review the preliminary results of work that is under way through the Johns Hopkins Comparative Nonprofit Sector Project to close this gap in knowledge, at least in part, by assessing the impact of the nonprofit sector in a systematic fashion in close to 40 countries throughout the world.⁴ The discussion begins by sketching the criteria that any such assessment should strive to meet. It then outlines the approach utilized here to meet these criteria, and then summarizes the results of this work to date.

The central conclusion that emerges from this analysis is that the nonprofit sector does indeed seem to perform a distinctive set of roles in a wide assortment of countries throughout the world; but these roles nevertheless fall short of what many of the enthusiastic celebrations of this sector would lead us to believe. At the same time, the sector suffers from a number of drawbacks or limitations, though here as well the drawbacks are nowhere near as widespread as some critics seem to believe.

Needless to say, even these conclusions are at best tentative. The question of the impact of the nonprofit sector is difficult to answer empirically, and we have no expectation of answering it definitively. For one thing, observers may vary in the weights they attach to different impacts. What is more, these impacts may vary among types of organizations and among countries.

¹ This paper was prepared for delivery at the Fourth Annual Conference of the International Society for Third-Sector Research, Dublin, Ireland, July 5-7, 2000. Some sections draw on an earlier paper by Lester M. Salamon, Leslie C. Hems, and Stefan Toepler, "So What? The Impact of the Nonprofit Sector: U.S. and Comparative Perspective," presented at the 28th Annual Conference of the Association for Research on Nonprofit Organizations, Arlington, Virginia, November 4-6, 1999.

² In addition to this global effort there are an increasing number of country studies including those in the US (Salamon, 1999; Hodgkinson, 1992) and the UK (Hems & Passey, 1998).

³ One of the few truly comparative assessments of the contributions of the nonprofit sector was the seminal work of Ralph Kramer (1981) that covered four countries (U.S., U.K., Netherlands, and Israel); but this study focused on only one subfield of social services though it developed concepts and constructs that have much wider applicability. For other examples of attempts to come to terms with the impact of nonprofit organizations, see: Brett (1993); Clark (1991); Clotfelter (1992); Edwards and Hulme (1996); Farrington and Bebbington (1993); Fowler (1995); Riddell and Robinson (1992).

⁴ For a further discussion of the objectives and results of this project to date, see: Salamon and Anheier (1996) and Salamon et al. (1999).

Generalizing across fields, or even across organizations in the same field, may therefore be extremely difficult. Beyond this, there are immense conceptual and terminological difficulties. The meaning, let alone the measurement, of some types of impacts is problematic. While we have attempted to cope with these challenges as best we could, we also realize the inherent limitations imposed by the nature of the task.

While this task is extremely challenging, however, it is also too important to sidestep. In a sense, the answer to this “So what?” question is fundamental to the whole field of nonprofit studies. Researching the size, structure, history, and legal context of the nonprofit sector is of modest importance in and of itself. The really significant question is whether the presence or absence of nonprofit organizations makes a difference, and, if so, what kind and how much. It was this question that we sought to address in the impact portion of our project, and that we report on, preliminarily, in this paper.

Criteria for Effective Impact Analysis

Evaluation study, or impact analysis, is one of the most difficult forms of social inquiry. This is so because results can be heavily influenced by the approach that is used, because measurement problems are especially severe, and because confounding factors frequently intervene between cause and purported effect. As a consequence, it is important to be clear about the criteria that an effective impact analysis must meet. Broadly speaking there are six such criteria that guided our work here:

Beyond outputs. In the first place, impact analysis involves something different from measuring outputs. Outputs are the units of activity which an entity produces. Whether these activities or services have their desired impact, however, is a far different, and far more complicated, question. To assess the consequences of the nonprofit sector, therefore, it was essential to go beyond outputs and develop measures of the resulting impacts.

Systematic. To be effective, impact analysis must also be systematic. Examples must be selected with great care to avoid tautologies. Successful and unsuccessful examples must have an equal chance to surface so that what results is not a collection of success stories but a truly systematic empirical view.

More than a celebration. In the third place, a systematic impact analysis must look not only at the potential positive consequences of the process under scrutiny but at the possible negative ones as well. This is necessary to ensure some degree of balance in the results.

Theory-based. To ensure against bias, the indicators of impact that are selected have to have some theoretical justification to them. In other words, impact measures cannot be chosen arbitrarily. They must be selected in the light of available theory. This is also important to provide some guidance to data-gathering. Without a body of theory, all possible outcomes are equally likely, making information-gathering practically impossible.

Relative impact. A fifth feature of an effective impact assessment is to focus on relative impacts and not just absolute ones. Of interest to us was not simply whether nonprofit organizations were making a positive or negative impact along the dimensions chosen for scrutiny, but also whether these impacts equaled or exceeded those made by other types of organizations, particularly for-profit businesses and government. A finding that nonprofit organizations were having positive impacts would not be compelling if it turned out that these impacts paled in comparison to those of the other sectors.

Comparative. Finally, to assess impacts fairly in a cross-national setting, it is necessary to use criteria that are culturally responsive. This requires testing the criteria, and not just the performance against them, to make sure the impacts being assessed are actually germane to the setting.

Methodology and Approach

With these criteria in mind, we fashioned an approach to the impact analysis portion of the Johns Hopkins Comparative Nonprofit Sector Project that involved four principal steps.

Table 1 Impact Analysis: General Approach

Task	Unit of Analysis	Mode of Analysis
I. Site Selection	Countries	Data Analysis
II. Identify Contributions/Vulnerabilities	Sector	Literature Review/Interviews
III. Validate Contributions/Vulnerabilities	Country	Literature Review/Interviews
IV. Measure Contributions/Vulnerabilities	Subfield	Data Analysis
		Literature Review
		Expert Interviews
		Focus Groups
V. Explain Contributions/Vulnerabilities	Agency	Case Study Inquiries

SITE SELECTION

In the first place, in order to provide the broadest possible perspective on the impacts that nonprofit organizations are having in different settings, we selected a range of research sites that differed widely in terms of level of development, cultural and religious heritage, and social and political structure. Altogether, 40 countries are included in the current phase of the Johns Hopkins Comparative Nonprofit Sector Project, including countries in Western Europe, Central Europe, Asia, South Asia, the Middle East, Africa, North America, and Latin America. The impact analysis portion of the project will eventually be completed in at least 30 of these countries. As of this writing, some portion of the impact analysis work has been completed in 17 countries, and detailed empirical findings are available on 11 of them. Included in this 11 are:

- Four countries of Western Europe (France, Ireland, the Netherlands, and the U.K.)
- Four other developed countries (Israel, Australia, Japan, and the U.S.)

- One transitional-economy country of Central Europe (Romania); and
- Two developing countries of Latin America (Colombia and Argentina).

ESTABLISHING THE CRITERIA: IDENTIFICATION OF LIKELY CONTRIBUTIONS AND DRAWBACKS

To structure our analysis, it was necessary to identify at the outset a reasonable set of indicators against which to assess the nonprofit sector's impact. To be meaningful, these indicators had to have some theoretical foundation, some relationship to the special features that characterize this set of institutions. This required an examination of the theoretical literature in this field to identify the features most commonly associated with nonprofit organizations and the kinds of contributions and drawbacks attributed to these organizations as a consequence.

The *unit of analysis* for this phase of our work was the nonprofit sector as a whole. The underlying hypothesis was that the nonprofit form creates certain propensities or possibilities that encourage or allow these organizations to perform particular social roles, but also make them prone to particular weaknesses, more regularly than other types of institutions, such as businesses and state agencies. The *mode of analysis* for this phase of the work was literature review and discussion with our team of Local Associates from the target countries. The task, however, was not to determine whether nonprofit organizations are actually performing the hypothesized roles or suffering the hypothesized vulnerabilities, but rather to identify which possible roles and vulnerabilities were appropriate to use and how their presence or absence might be detected. Our line of reasoning was thus as follows:

Special → Distinctive → Indicators
Features Roles /
 Vulnerabilities

More specifically, five crucial features of nonprofit organizations have been widely identified in the literature. These features provided the basis for the definition of the nonprofit sector used throughout our project. Fundamentally, they identify a set of entities that are:

- *Self-governing organizations*;
- *Not profit-distributing*;
- *Private and nongovernmental* in basic structure; and
- *Voluntary* to some meaningful extent, and therefore likely to engage people on the basis of some shared interest or concern.

From this list of features, it was possible to identify *five widely-cited potential contributions* and *five widely-cited potential drawbacks* of nonprofit organizations, as follows:

Hypothesized Contributions

- 1. The service role.** In the first place, because of its non-profit-distributing character, the nonprofit sector can be expected to perform a crucial service-providing role. The services that we would expect nonprofit organizations to provide are those that involve some “public” or collective character. Such goods and services are typically difficult to supply through the private market because they are available to everyone regardless of whether they have been paid for or because those in need of them lack resources; or because the services require some special element of trust (Hansmann, 1980; Weisbrod, 1975; Salamon, 1987). Thus, nonprofit organizations can be expected to be involved in the provision of health services, education, personal social services, and cultural services of various kinds. In situations where trusted economic institutions to provide credit or assist with marketing and related roles are unavailable, moreover, nonprofits can also be expected to provide such economic services (e.g., in many developing countries and transition economies).

The service role of nonprofit organizations can be expected to differ from that of other types of organizations (e.g. businesses and government agencies) not only in terms of the fields in which it operates, but even more so in terms of its basic character. Thus, even when all three types of institutions are active in a field, we would hypothesize that the nonprofit providers would exhibit to a greater degree one or more of the following features:

- *Higher quality.* Because nonprofit organizations are not primarily profit-oriented, they can afford to provide a higher quality of service than commercial enterprises (Weisbrod, 1989; Billis & Glennerster, 1998). For example, they may permit longer hospital stays, use more personnel rather than drugs in nursing care or psychiatric care. What is more, because of their smaller scale and adaptability, nonprofit organizations can often be more responsive than large governmental bureaucracies or add to their strict service roles a variety of other supports, such as community organizing and empowerment.
- *Greater equity.* Because of their access to voluntary and philanthropic support, their charitable goals, and their more limited preoccupation with profit, nonprofits should be more inclined to serve those in greatest need. Their client profiles can therefore be expected to differ from those of commercial enterprises, though not necessarily from those of government agencies (Weisbrod, 1989; James & Birdsall, 1992; Kramer, 1981).
- *Lower cost/efficiency.* Access to volunteers and charitable support can also enable nonprofits to offer services at less cost than other providers and therefore be considered more efficient (Weisbrod, 1989; Badelt & Weiss, 1990).
- *Specialization.* Because of their value-based mission and embeddedness in communities of place and need, nonprofit agencies can specialize in a problem, a group of people, a

service delivery system or a method of intervention (Farrington & Bebbington, 1993; Kramer, 1981: 259).

- 2. The innovation role.** Because they are not driven by the “bottom line,” nonprofit organizations are also potentially more flexible and adaptable than other types of organizations and more able to take risks. What is more, since the nonprofit form is potentially available to anyone with an idea, we might expect this sector to be an incubator for new ideas and approaches for identifying and solving public problems. It can thus perform in the public sphere the same kind of innovative role that small private businesses play in the sphere of private profit-oriented action. This suggests that nonprofit organizations can be expected to be pioneers⁵ in particular fields, identifying unaddressed issues and focusing attention on them, formulating new approaches to problems, and generally serving as a source of innovation in the solution of societal problems. All three types of innovation identified by Osborne (1998) can thus be identified with the nonprofit sector: *evolutionary innovation* where there is a new process/product; *expansive innovation* where there is a new market; and *total innovation* where there is a new process/product and a new market. This innovation role is widely recognized in the literature (see, for example, Kramer, 1981; Peyton, 1989; Osborne, 1998; Light, 1998) and has also been recognized in government sponsored reviews of the nonprofit sector such as the Filer Commission in the US and the report by Beveridge in the UK. As the Beveridge report put it: “The capacity of voluntary action inspired by philanthropy to do new things is beyond question” (Beveridge, 1948: 301).
- 3. The advocacy role.** Because they are not beholden to the market, and are not part of the governmental apparatus, nonprofit organizations can be expected not only to innovate, but also to push for changes in government policy or in societal conditions (Boris & Mosher-Williams, 1998; Habib & Taylor, 1999; Kramer, 1981; Lipsky & Smith, 1989). This role is also consistent with the voluntary character of nonprofit organizations and the availability of these organizations as mechanisms to rally people who share a particular concern. In this sense, these organizations may be in a position to serve as a link between individuals and the broader political process, providing a way to bring group concerns to broader public attention and to push for policy or broader social change, not only on behalf of those belonging to a group but also on behalf of the general public. These considerations would lead us to hypothesize that nonprofit organizations will be particularly instrumental in producing major policy innovations in the fields where they operate, and that they will be actively involved in such advocacy and societal change activity.

Two dimensions of the advocacy role appear significant in the literature and for the purpose of this study – the ‘personal’ and the ‘public’ (Hayes, 1996) or alternatively stated ‘citizen advocacy’ and ‘policy advocacy’ (Knapp et al., 1988: 15). This is consistent with the “expanded conception of advocacy” proposed by Boris and Mosher-Williams (1998:488), which embraces not only policy-oriented activity but broader “civic involvement” that nonprofits can facilitate.

⁵ Kramer also termed this the *Vanguard* role (Kramer, 1981).

- 4. The expressive and leadership development role.** Advocacy is just one form that the representational activities of nonprofit organizations can be expected to take. These organizations also potentially perform a broader role as vehicles for individual and group self-expression (Weisbrod, 1975). Kramer referred to this as the “value guardian role” of nonprofit organizations: “As a value guardian of voluntaristic, particularistic and sectarian values, a voluntary agency is expected to promote citizen participation, develop leadership, protect interests of social, religious, cultural, or other minority groups” (Kramer, 1981: 9). David Horton Smith (1973: 337) also identified the ability of the voluntary sector “to liberate the individual and permit him or her the fullest possible measure of expression of personal capacities and potentials within an otherwise constraining social environment...” as one of the sector’s central impacts (Smith, 1973: 337). Thus groups form to give expression to ethnic and religious heritages, to occupational interests, to shared ideologies and interests, to musical or cultural concerns, and to thousands of other preoccupations. In addition, because they offer vehicles for individual self-expression, nonprofit organizations encourage leadership development. Through this *expressive role*, therefore, nonprofit organizations should be instrumental in promoting the value of pluralism and diversity in society, providing outlets for the development of new leadership cadre and vehicles through which people can fulfill themselves in a variety of ways.
- 5. The community building and democratization role.** Finally, while the expressive role emphasizes the contribution that nonprofit organizations can be expected to make to diversity and pluralism, in fact these organizations can be expected to perform a unifying role as well (Berger & Neuhaus, 1996; Kingsley & Gibson, 1999; Smith, 1973). This role is embodied in the concept of “social capital” that has recently gained considerable currency (Putnam, 1993), but it was recognized much earlier in discussion of the “integrative role” that these organizations perform (Smith, 1973: 335). The central idea here is that by encouraging social interaction, nonprofit organizations help to create habits of trust and reciprocity that in turn contribute to a sense of “community.” Such habits also help to support democratic values. In this sense, the nonprofit sector can contribute to diversity and community at one and the same time. This community-building role, in turn, has been credited with encouraging both economic growth and democratization, each of which requires extensive bonds of trust in order to flourish. In short, we can hypothesize that nonprofit organizations make an important contribution in fostering sentiments of trust, social obligation, and belonging both among their own members and between these members and others in society and that they consequently function as “schools of democracy” and of community.

Hypothesized Drawbacks

In addition to the positive contributions noted above, nonprofit organizations may also be expected to exhibit certain characteristic vulnerabilities that also need to be examined in gauging the impact of this set of institutions (Salamon, 1987). Among the more important of these potential vulnerabilities are the following:

1. **Particularism.** The very qualities that make nonprofit organizations potentially responsive to group interests or concerns can make them hostile to broader public or community interests. Indeed, nonprofit organizations can be discriminating in their operations, providing benefits only to people sharing the religious, or ethnic, or cultural values of the members and denying them to others (Salamon, 1987; Lewis, 1998; Kramer, 1981; Smith, 1973: 342). Where groups vary in their resources, moreover, this can reinforce inequalities.
2. **Paternalism.** Unlike governments, nonprofit organizations cannot establish “rights,” only privileges. They can thus reinforce dependence on the part of those who rely on their services (Salamon, 1987; Berger & Neuhaus, 1996; Kramer, 1981). This dependency can, in turn, be used to force those without alternative recourse to accept religious, moral, or political convictions they would not otherwise choose to embrace. To the extent this leads to forced conversions or the subjugation of important traditions, it constitutes a denial of individual liberty rather than a promotion of it.
3. **Excessive amateurism or professionalism.** Nonprofit organizations pride themselves on their reliance on volunteer input and private charitable support. While this can be a source of innovation and independence, however, it can also be a prescription for ineffectiveness (Lewis, 1995). Nonprofit organizations may not be able to attain the scale of effort required to make a serious dent in a major problem, they may use approaches that fail to take advantage of the latest techniques, or they may rely on the unique skills of a particularly effective individual that cannot easily be replicated. “Scaling up” the innovations and contributions of nonprofit organizations can consequently be a serious problem. By the same token, nonprofits can also fall prey to excessive professional control and professionalization of problem-solving. This happens when professional staff gain too complete control over agency operations and limit the involvement of members, clients, or other non-professionals (Kramer et al., 1993; Lewis, 1995; McKnight, 1995).
4. **Resource insufficiency.** One of the additional inherent limitations of the voluntary sector is the difficulty it encounters in generating resources on a scale that is both adequate and reliable enough to cope with the range of human problems it seeks to address (Salamon, 1987; Billis & Glennester, 1998; Kramer, 1981; Lewis, 1995; Ostrander, 1989; Gronbjerg, 1994; Fowler, 1995). This is, to a considerable extent, a product of the “free rider” problem inherent in the production of collective goods. Since everybody benefits from a society in which those in need are cared for whether or not they have contributed to the cost of the care, there is an incentive for each person to let his neighbor bear most of the cost. So long as sole reliance is placed on a system of voluntary contributions, therefore, it is likely that the resources made available will be less than those society actually considers optimal. What is more, because of the twists of economic fortune, benevolent individuals may find themselves least able to help those in need when the need is greatest. In addition, the available resources are frequently not available where the problems are most severe. As a consequence, nonprofit organizations, on their own, have serious vulnerabilities in generating a reliable stream of resources to address community needs.

5. **Accountability gap.** A fifth key vulnerability of nonprofit organizations results from their lack of sufficient accountability mechanisms (Hayes, 1996; Kramer, 1981; Herzlinger, 1996; Fleishman, 1999). For-profit businesses are ultimately held accountable by the consumers of their products, and secondarily by their boards of directors, who have a vested interest in the performance of the corporation. Government agencies are similarly held accountable firstly by elected representatives and ultimately by voters in a democratic system. By contrast, the principal vehicle for accountability in the nonprofit sphere is the trustworthiness of agency managers. Society assumes that because the organizations they head cannot generate profits for their managers, these managers can be relied on to act in the best interest of the organization and those it serves. However, there are many ways in which organizational operations can benefit an organization's managers, making this an imperfect accountability mechanism at best. What is more, because the boards of nonprofit organizations have fewer incentives to monitor organizational performance than is the case in the business sector, the likelihood is great that board oversight will also be less vigorous. As a result, nonprofit organizations may lack the accountability mechanisms operating in the other spheres.

To be sure, we have no expectation that *all* nonprofit organizations will play *all* of these roles or exhibit all of these vulnerabilities. Nor would we expect that the roles are unique to nonprofit organizations. Other types of organizations may perform them also. Finally, many nonprofit organizations may play other roles as well. *However, we believe these five roles and vulnerabilities capture the essence of what we would hypothesize makes this sector special and distinctive. The hypothesis, therefore, is that nonprofit organizations are more likely to display these roles and drawbacks than other types of organizations.* Assuming they can be verified in other settings, this set of roles and vulnerabilities thus provides an appropriate framework for assessing the impact of the nonprofit sector cross-nationally.

VALIDATING CONTRIBUTIONS AND DRAWBACKS

Having identified a hypothesized set of contributions and drawbacks of the nonprofit sector from the available literature, the third key task was to validate this set of criteria in our target countries. This task was important because much of the theoretical literature on the nonprofit sector has emerged against a backdrop of developed market economies and democratic political systems. Conceivably, therefore, the evaluation criteria could have a cultural bias to them. Before attempting to test the hypotheses about the actual extent to which nonprofit organizations exhibit the roles or drawbacks ascribed to them, we therefore had to make sure that the evaluative criteria represented a widely accepted and reasonable framework of expectations in other societies as well.

To accomplish this task, we asked our Local Associates in the target countries to review the existing local literature and consult local experts (including academics, government representatives, and nonprofit practitioners) to assess whether the hypothesized roles and vulnerabilities we had identified were recognizable as expectations of the nonprofit sector in their

respective countries, and, if so, how widely recognized they were.⁶ A special field instrument was prepared for this phase of the work and Local Associates were asked to prepare Memoranda identifying the extent to which the roles and vulnerabilities are part of the framework of expectations of the nonprofit sector in their countries.

MEASURING CONTRIBUTIONS AND DRAWBACKS

Once we identified the most likely contributions and vulnerabilities of the nonprofit sector, the next step in our analysis was to determine whether nonprofit organizations actually exhibit them. For this purpose, we narrowed our focus to a limited range of subfields in order to make the task manageable.⁷ To ensure that we did not bias the results toward a particular role, moreover, we deliberately constrained the choice of fields to encompass the full range of nonprofit activity. In particular, Local Associates in each country were asked to identify one particular subfield of nonprofit work in each of three broad fields of nonprofit activity:

- first, traditional human services (e.g. social services, health, education);
- second, the promotion of economic rights and pursuit of economic opportunity; and
- third, the promotion of basic human rights or free expression.

The *unit of analysis* for this phase of our work was thus the *subfield*. The *mode of analysis* was a combination of literature review, analysis of available data, personal interviews, and “focus group” sessions. For this portion of the analysis as well, Local Associates were supplied with detailed field instruments outlining a common set of questions for expert interviews and focus groups. The goal was to collect comparable data and information from each site that could then be assembled into an aggregate picture. Because the data emerging from this was qualitative in character, however, it was necessary to utilize scaling techniques in order to assemble the information for comparative assessment.

⁶ In most countries the preliminary assessment at a sector level was undertaken between 1995 and 1997, early on in the overall work of the project. This is important to note because the project itself may contribute to the impact assessment process by raising the profile of the nonprofit sector as a whole and the roles that nonprofit agencies perform.

⁷ The term *subfield* is used in the context of the International Classification of Nonprofit Organizations where *field* is the highest level of aggregation of activities (e.g. education) and subfield is a constituent part e.g. primary education. The use of subfield is akin to that of *societal field* defined by Scott & Meyer – ‘all organizations within a society supplying a given type of product or service together with their associated organizational sets: suppliers, financiers, regulators and so forth’ (Scott & Meyer, 1991).

As reflected in Table 2 below, Local Associates selected a wide assortment of different fields of nonprofit action for this phase of the work. Thus, within the traditional human services area, 6 of the 11 countries that have completed this portion of the field work focused on social services, 3 on education, and 1 on health. Within the area of economic opportunity, 4 focused on community development, 2 on microenterprise development, and 5 on a broader array of employment and housing activities. Within the area of expression and rights, 3 countries focused on environment, 2 on culture and arts, and 3 on additional areas of expression.

Table 2 Validation of Contributions and Drawbacks: Field & Country Coverage

Traditional Human Services (10)		
Education	Health	Social Services
Colombia	Argentina (hospitals & rehab)	Japan (personal soc. services)
U.S.		Ireland (elderly care)
Netherlands (primary)		Israel (elderly care)
		Australia (elderly care)
		Romania (child care)
		France (disabled)

Economic Opportunity (11)		
Micro-enterprise	Community Develop.	Others
Colombia	Ireland	Argentina (co-ops)
Japan	Israel	Netherlands (social housing)
	Romania (rural)	U.K. (social housing)
	U.S.	Australia (labor market)
		France (labor market)

Expression & Rights (8)			
Environment	Culture & Arts	Human Rights	Others
Colombia	France		Ireland (language)
Japan	Australia		Israel (immigrants)
Netherlands			Romania (ethnic minorities)

EXPLAINING CONTRIBUTIONS AND DRAWBACKS

The final step in our analysis was to search for explanations of the patterns of performance or non-performance of the different roles that we uncovered. The intent here was to go beyond the description of these roles to understand the internal or external pressures that can help explain the extent to which nonprofit organizations are making the kinds of contributions, or exhibiting the kinds of limitations, we have hypothesized.

The *unit of analysis* for this part of our analysis was the individual agency. The *mode of analysis* was the conduct of “focused case study inquiries”, i.e. organizational case studies that are focused on a particular range of issues. We sought to complete one or two such case studies in each of the three subfields on which we focused in each country thus producing between three and six case studies per country. Here, again, detailed instructions were worked out for these case studies to ensure that all associates pursued a similar line of inquiry around a comparable set of questions driven by a common set of theoretical concerns. Among the factors specifically targeted as potential explanations of the extent to which the organizations studied performed as hypothesized were these:

- Characteristics of the *organizational structure* and *culture* such as its bureaucratic/hierarchical structure, leadership, organizational “ethos”, board structure and role, board dynamics, and values and perspectives of staff.
- Aspects of the organization’s *external environment* and *institutional context* such as its funding base, resource availability, competition from other providers, system infrastructure, legal restrictions and policy framework.

In addition, organizations selected for these case studies had to be established organizations (in existence at least a year), typical of the nonprofit agencies in that subfield, and open to the kind of case study analysis intended.

Findings

At this stage of the project, field work and analysis have proceeded far enough to make it possible to offer some preliminary findings on two facets: the validation of the basic criteria and the initial assessment of how well nonprofits are performing in relation to these criteria. In particular, field work has been completed on the basic validation of the criteria in 17 of the 40 countries covered in this project and actual assessment of nonprofit performance has been partially completed in 11. In addition, some 15 case studies have been completed, though the analysis of the case study material has just begun.

The discussion below identifies the major conclusions that have emerged so far from this analysis. It looks first at our effort to validate the basic evaluation framework and then examines the data on nonprofit performance in terms of this framework.

VALIDITY OF THE BASIC FRAMEWORK

To assess the validity of the evaluation criteria we developed, Local Associates reviewed available literature on the nonprofit sector in their respective countries and interviewed local experts. They then prepared memoranda citing the evidence they had assembled on the presence or absence of expectations regarding the respective contributions and drawbacks of nonprofit organizations in their countries. Altogether, 17 such memoranda are available for analysis as of this writing. Using these memoranda, scores were then assigned to the various roles and drawbacks for each country based on the extent to which evidence could be found that the role or drawback was commonly expected of nonprofit organizations. As shown in Table 3, a score of 3 signified that the role or drawback was commonly attributed to nonprofits in the country and that substantial evidence was available to verify this. A score of 0 signified that the role or drawback was not attributed or recognized.

Table 3 Rating Scale for Attribution of Roles and Vulnerabilities

Score	Attribution
0	Role not attributed/recognized
1	Role attributed/recognized but little evidence or consensus
2	Role attributed/recognized with some evidence and consensus
3	Role attributed/recognized with substantial evidence and consensus

Based on the results of this analysis, a number of conclusions emerged:

1. General validity of expectations about nonprofit contributions

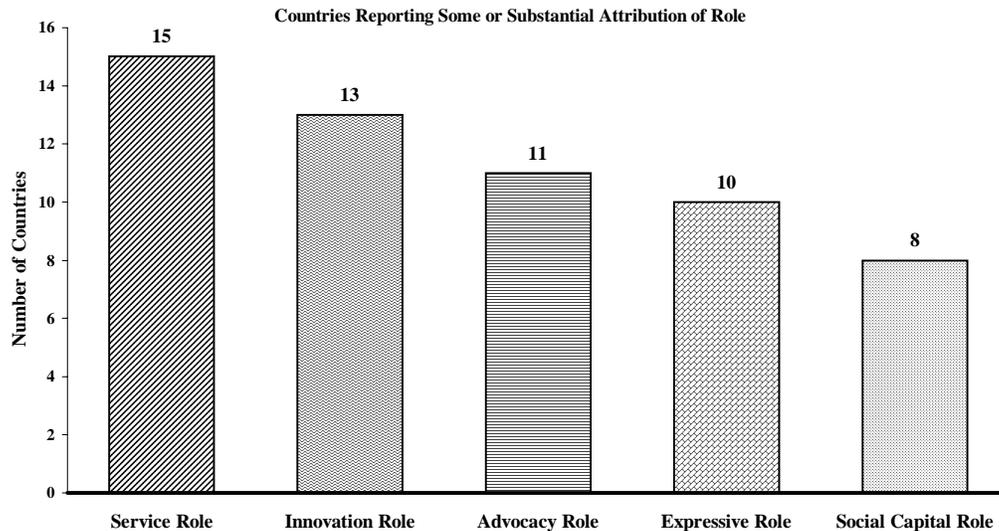
In the first place, the field work fundamentally verified the validity of our basic scheme for evaluating the contributions of nonprofit organizations cross-nationally. In only 4 out of the possible 85 cases (5 roles x 17 countries) did Local Associates report that local experts did not attribute a role to nonprofit organizations (the innovation and community building roles in The Netherlands and the innovation and advocacy roles in Japan). In all other cases at least some recognition of the relevance of the role to nonprofit performance was evident.

2. Service and innovation roles more commonly expected than social capital role

While almost all of the contributions are attributed to nonprofit organizations in most of the places, however, the expectations vary somewhat among the roles. In particular, as Figure 1 shows, 15 of the 17 countries received a score of 2 or 3 with respect to the service role of nonprofit organizations, signifying that “some evidence” or “substantial evidence” existed that this was an expectation of nonprofit organizations in the country. By comparison, only 8 of the 17 countries reported this level of confirmation with regard to the social capital/community-building role. Innovation was nearly as strongly expected a role of nonprofit organizations as

service delivery, but advocacy and expression were expected less commonly, or less firmly.

Figure 1 Attribution of Expected Contributions (n=17)



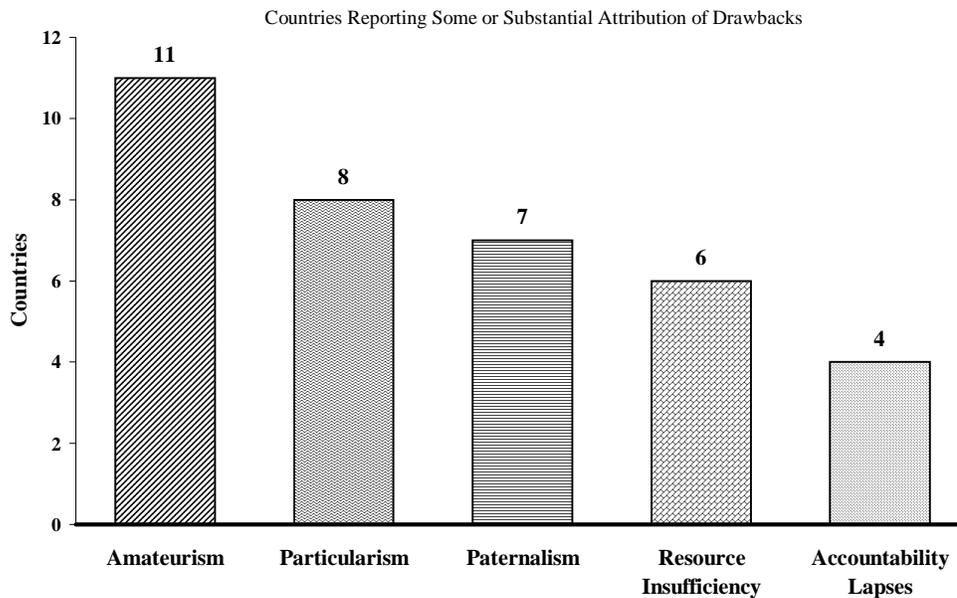
- The service role.** Since the service role is the most commonly expected contribution that nonprofit organizations are expected to make, it may deserve a bit more scrutiny. Generally speaking, nonprofits are expected to provide collective-type goods and services, such as education, social services and health, much as the theory would predict, although economic development, culture and recreation, and housing were also mentioned. In a number of places, the nonprofit service role is not distinguished sharply from that of government, though in some places, such as Central and Eastern Europe, nonprofit organizations are now expected to be the primary service providers (Hungary, Romania, Slovakia). A wider range of countries identify the service role of nonprofits as complementing or supplementing that of government (Australia and Ireland), or filling the gaps left by government (Peru, Romania, Tanzania, Uganda). Outside of the developed countries (Argentina, Colombia, Hungary, Peru, Romania, Tanzania, and Uganda), nonprofit services are expected to be of higher quality than those of the state. In Australia, proximity to client groups was recognized as an important feature of the service provision role attributed to nonprofit organizations. In France, it was the potential for nonprofit organizations to provide non-standardized or ‘specialized’ services that was recognized as significant, particularly where there was some mutual or self help component. Significantly, however, in only a few countries were nonprofit organizations expected to achieve ‘greater equity’ in their service role, though in some countries (e.g., Colombia, Peru, Slovakia, Spain, UK) it was recognized that the target clients / beneficiaries of nonprofit activity were often those missed by the state and market service providers. Similarly, there were expectations that nonprofit services would be less costly (Argentina, Australia, Colombia, Ireland, Slovakia, Spain, Uganda).

- **The innovation role.** Expectations about nonprofit contributions to the provision of services blend easily into expectations about their contributions to innovation. Two forms of innovation were associated with nonprofit organizations in the study countries—first, demonstrating new approaches to existing social problems (Australia, Colombia, Ireland, Peru, Romania and Uganda); and second pioneering new fields of activity and addressing previously unmet needs (France, Hungary, Slovakia, Spain UK, Tanzania, and Peru). This role was associated with the *flexibility* and *adaptiveness* attributed to nonprofit organizations (Australia, Colombia, France, Hungary, Peru, Romania, Slovakia, Uganda, United Kingdom), and their responsiveness and “the capacity to react quickly to changes and social issues” (France). Also important in creating these expectations was the citizen involvement attributed to nonprofit organizations (France, Ireland, Peru and Romania) and the sensitivity of nonprofit organizations to community needs (Romania and Spain).
- **The advocacy, expressive, and community-building roles.** Though evidence for them was somewhat less compelling in many places, nonprofits are also widely expected to make important contributions in the areas of advocacy, expression, and community building. In the majority of the countries, the wider conception of advocacy, the coverage of both citizen and policy advocacy, is applicable (Australia, Colombia, France, Hungary, Ireland, Peru, Spain, Tanzania, Uganda, and the UK). Local Associates have linked the advocacy role to democratic transition, social integration and social progress. In these cases the role for nonprofit organizations is to mobilize public participation and to link citizens to the broader political process.

3. Vulnerabilities less commonly expected

While expectations of nonprofit contributions are widespread and well documented, expectations with regard to the weaknesses or vulnerabilities of nonprofit organizations appear to be far less fully developed. Thus, while expectations regarding the roles could not be validated in only 4 out of 85 possible cases in our 17 countries, expectations regarding the vulnerabilities could not be validated in 24 cases.

More specifically, as shown in Figure 2, only 11 of the 17 countries received a score of 2 or 3 with respect to the *amateurism* drawback of nonprofit organizations, signifying that “some evidence” or “substantial evidence” existed that nonprofit organizations were expected to exhibit this shortcoming in the country. Evidence that the other vulnerabilities were expected was even more limited: in only 8 countries out of the 17 was there some or substantial evidence that nonprofits were expected to suffer from “particularism;” in only 7 that they would exhibit “paternalism;” in only 6 that they would suffer from “resource insufficiency;” and in only 4 that they would display “accountability lapses.”

Figure 2 Attribution of Expected Drawbacks (n=17)

In part this finding appears to be a function of the limited conceptualization of the nonprofit sector in the countries rather than a lack of concern about potential weaknesses of the nonprofit sector. Elsewhere potential drawbacks are seen as having positive other sides. This is so, for example, with “particularism,” which can provide a basis for solidarity and not just discrimination. In addition, one of the vulnerabilities - resource insufficiency - was added to the list late and analysis on it is not yet complete. Where it is complete, however, this vulnerability generally is widely recognized as an important issue for the sector.

4. Expectations regarding contributions and drawbacks do not vary by type of country

One final finding worth noting about the validity of the basic framework of expectations we propose to bring to the assessment of nonprofit contributions and weaknesses is that these expectations do not seem to vary much by region or type of country. To see this, we computed the average “attribution score” for each of the four types of countries we covered (Western Europe, Other Developed, Developing, and Central Europe) with respect to both the contributions and the vulnerabilities. This was done by averaging each country’s score for each contribution and role using the 3-point scale mentioned earlier.

Table 4 below records the results. It shows that the average score for both the contributions and the vulnerabilities was virtually identical among the types of countries. Thus, all but the developing countries recorded an average score of 2-2.1 for the contribution expectations, and the developing countries were not far off this with a score of 1.6, suggesting a bit less evidence to confirm the existence of these expectations. In the case of the vulnerabilities, the average was 1.4 for all but the other developed countries, where expectations of vulnerabilities were a bit more pronounced.

Table 4 Attribution of Expected Contributions and Vulnerabilities by Type of Country (17 countries)

Type of Country	Average Attribution Score per Country	
	Contributions	Vulnerabilities
	maximum = 3.0	
Western Europe ^a	2.1	1.4
Other Developed ^b	2.1	2.0
Developing ^c	1.6	1.4
Central Europe ^d	2.0	1.4
Total	2.0	1.6

^a France, Ireland, The Netherlands, Spain, U.K.

^b Australia, Japan, U.S., Israel

^c Argentina, Colombia, Peru, Tanzania, Uganda

^d Hungary, Romania, Slovakia

MEASURING PERFORMANCE

Against the backdrop of this validation of our basic framework, we then set about assessing nonprofit performance against this framework. As noted earlier, given the general paucity of hard data on many of these dimensions, we resorted to a varied research strategy. In particular, we identified three broad fields of nonprofit activity and asked our Local Associates to choose one subfield in each. For each of these subfields, we then developed a “field study” drawing on a variety of sources of information, including:

- Empirical data on nonprofit activities, services, clientele, and related matters, where this was available;
- Literature analyzing activity within the field and the role of nonprofit organizations;
- Interviews with academic experts, nonprofit practitioners, and government officials with knowledge of the field; and
- Focus groups with informed experts who could offer considered judgments about nonprofit performance in the field in relation to our overall framework of criteria.

This work was guided by a series of field instruments formulated in cooperation with the Local Associates and designed to assemble both the quantitative and qualitative data identified in as systematic a fashion as possible within the context of our overall framework. To convert the resulting data into a common format, moreover, a scoring system was devised. In particular, as reflected in Table 5 below, each field study was scrutinized and a score of 0 to 3 assigned for each role and vulnerability, with a 3 indicating high performance of the role or evidence of the vulnerability and a 0 indicating no performance of the role or presence of the vulnerability.

Table 5 Scoring System for Performance of Roles/
Extent of Vulnerabilities

Score	Level of Role Fulfillment/Extent of Vulnerability
0	None
1	Low
2	Medium
3	High

Altogether, 29 such “field studies” have been completed to date in 11 countries, including:

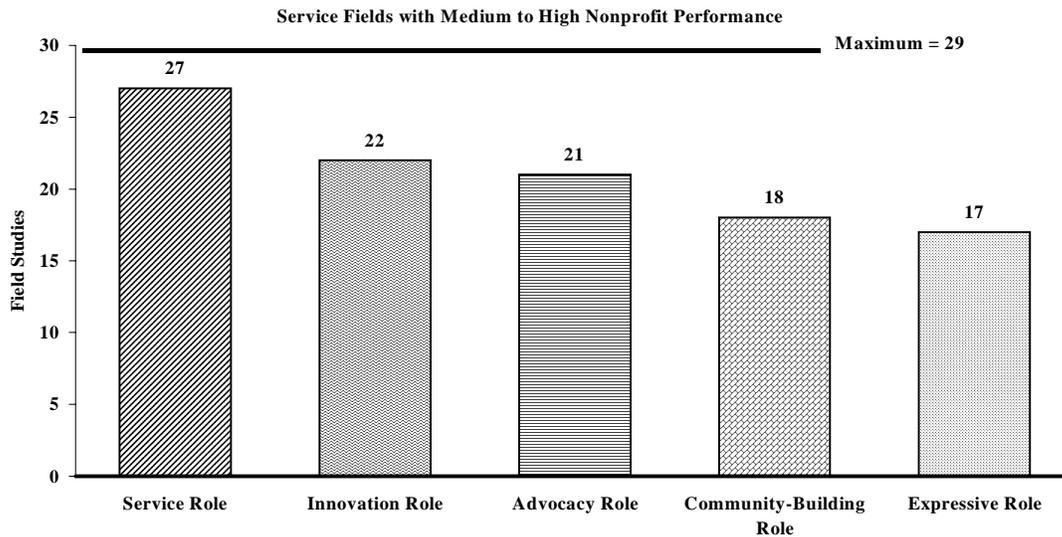
- Four countries from Western Europe;
- Four other developed countries;
- One transitional-economy country from Eastern Europe; and
- Two developing countries from Latin America.

Eventually, such work will be completed in at least 30 countries, yielding a total of 90 field studies.

Based on the results to date, a number of tentative conclusions can be drawn about the contributions and limitations of the nonprofit sector.

1. Relatively high level of nonprofit performance of hypothesized roles

In the first place, the evidence we have developed provides solid evidence that nonprofit organizations are performing the roles attributed to them across a wide array of fields and a diverse array of sites. This is evident in Figure 3, which records the number of field studies in which nonprofit organizations displayed medium or high performance of the indicated roles. As this figure shows, this was the case at least 60 percent of the time for all of the roles. With regard to the service role, moreover, nonprofits recorded medium or high performance in more than 90 percent of the cases. Performance was in the 70 percent range with regard to the innovation and advocacy roles. This finding provides considerable affirmation to the belief about the substantial contributions that nonprofit organizations are making in the world today.

Figure 3 Measuring Nonprofit Contributions (n=29)

2. Distinctiveness of nonprofit role performance

Not only are nonprofit organizations extensively involved in many of the key roles hypothesized, but also they appear to be involved in distinctive ways. This is especially apparent with regard to the service role, where other types of organizations are also involved. But it is evident with regard to other roles as well. Some of the distinctive features of nonprofit role performance are noted below:

- **Service role: focus on equity and innovation.** In the first place, nonprofits seem to have carved out a distinctive role in the delivery of services. In 15 of the 29 cases, this involves offering services that are lower in cost. In 17 of the cases, it involves services of higher quality. But most commonly, nonprofit services tend to have a higher equity content. In 23 of the 29 cases, in fact, nonprofits recorded a medium or high performance with regard to the equity with which they provided services. In part, this reflects the innovativeness of nonprofit organizations. In 22 of the cases, nonprofits were credited with substantial innovation with respect to the approaches that they used, and in 21 of the cases they were credited with substantial or high levels of innovation with regard to type of service or clientele they were reaching. Examples of this activity included the following:
 - In Ireland, nonprofit organizations catering to the elderly primarily focus on providing services that involve social contact to counter loneliness and social isolation, areas of service provision that are exclusively provided by nonprofits. Nonprofit organizations account for a significant portion of overall service provision to the elderly: there are 1200 nonprofit organizations providing services to approximately one-quarter of the elderly population (94,000 people).

- In Japan, there is a “unanimous agreement” that “there are certain social needs where, for various reasons, the goods and services produced by the private sector or the government are insufficient in quantity, variety, or quality to meet the demand. It is primarily in these areas where nonprofits are able to step in and provide high quality services.”
- In Australia, although there is increasing competition with for-profit organizations, nonprofits hold a wider community acceptability as people tend to have problems with the idea of making a profit from such services to the elderly. “At their best, nonprofit providers worked from a service provision model that...accepted the need to provide services to the most neglected or disadvantaged people or regions/communities. They tended to be better at ‘going the extra mile’ in pursuit of good outcomes for their clients.”
- **Advocacy role.** Another distinctive aspect of nonprofit role fulfillment is the presence of the advocacy role. As noted above, in more than 70 percent of the cases, nonprofit organizations were credited with performing an advocacy role to a substantial or high degree. While this is noticeably lower than the share reporting substantial performance of the service role, it is still quite notable. In general, nonprofit organizations are perceived as credible advocates for larger community interests. Activities range from producing literature and mailings and conducting briefing sessions to creating publicity and promoting social legislation. What is more, the advocacy role was often combined with other roles. This is evident in Table 6 below, which records the extent to which the five roles we have identified are performed in each of the three broad fields of nonprofit activity we have examined—traditional human services, promotion of economic opportunity, and expression and rights. What is striking about this table is that the advocacy role scores as high in the traditional human services field (average score of 2.3 out of 3.0) as it does in the field of expression and rights where one would normally expect it to be most evident. Apparently, despite fears to the contrary, nonprofits appear to be combining a service delivery and advocacy role to a greater extent than many expect.

Table 6 Validation of Nonprofit Contributions, by Field
Validation Score (Max = 3.0)

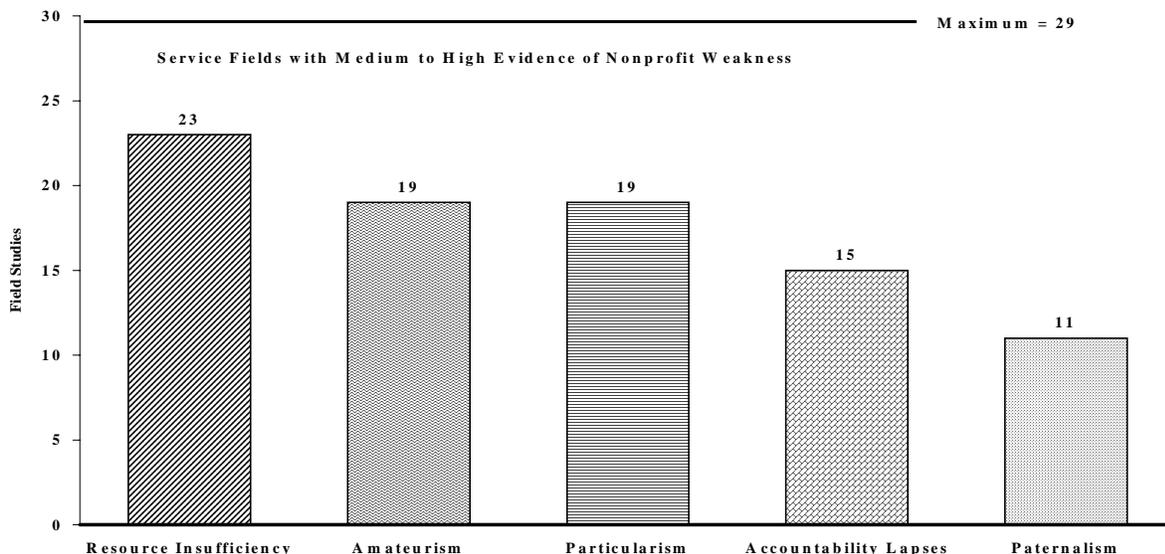
Contributions/Roles	Fields		
	Human Services	Economic Opportunity	Expression/Rights
Service	2.8	2.5	2.0
Innovation	2.5	2.2	1.9
Advocacy	2.3	1.9	2.3
Expressive	2.0	1.5	1.9
Community-Building	1.6	1.9	1.9

Illustrative of this phenomenon is the recent record of nonprofit activity in France. In the field of disability care in France, for example, even associations that manage service establishments tend to fulfill the advocacy role to some extent, and they are reported to be “often a very strong lobbying force.” The local associate asserts that these organizations “have become the state’s principal advisor in writing public regulations and in planning policy.” Although some organizations criticize others for becoming service providers more than advocates, the passage of the 1975 Disabled Persons Act, which assured the integration of people with disabilities into society for the first time, and the subsequent passage of a 1987 Act, which sets a 6 percent quota for employment of disabled persons in firms, demonstrate the advocacy clout that nonprofit organizations have acquired in this field. Similar examples can be found in other countries as well. For example, in the Netherlands, “advocacy and social change are the core functions of the environmental nonprofit organizations; in fact it is their reason for existence.” Irish language organizations in Ireland also received high evaluations for their advocacy activity, specifically promoting “the status of the Irish language and the rights of Irish speakers.”

3. Relatively limited evidence of nonprofit weaknesses

If the evidence uncovered here revealed a relatively robust nonprofit performance in terms of the expected roles, it also revealed relatively modest evidence of nonprofit weaknesses. Thus, as shown in Figure 4, only one of the hypothesized vulnerabilities—resource insufficiency—was reported to be significantly evident in more than two-thirds of the cases. Two others—amateurism and particularism—were significantly present about two-thirds of the time. And the remaining two—lack of accountability and paternalism—were reported to be at least moderately in evidence in half or fewer of the cases. To be sure, this means that some of these weaknesses were significantly in evidence more than half of the time. Yet this was still considerably less than some accounts seem to suggest.

Figure 4 Measuring Nonprofit Weaknesses (n=29)



4. Linkage of roles as the really distinctive feature of the sector

Quite apart from the record of nonprofit performance of particular, isolated roles, one of the more important conclusions that emerges from this analysis is that it may be the clustering of roles and contributions that gives the nonprofit sector its real distinctiveness. Many of the field memos made particular note of these linkages. For example, in Australia nonprofit organizations in the subfield of elderly care pursued both the service and advocacy roles in tandem: “[nonprofit providers] tended to be better at making links across service and policy areas to get an integrated outcome for a specific client or community.” Similarly, community development organizations in Israel are distinctive because they are involved not just in community building activities, but in a wide assortment of service, advocacy, expressive, and innovation roles as well. Linkages between innovation and advocacy, advocacy and service, service and expression, and many more were quite prominent in the responses. Even when they were delivering services that are quite similar to those provided by for-profit businesses or the state, therefore, nonprofits tended to provide them with a “plus,” with some other activity.

5. Soft spots in the performance record

While the data reported here suggest a rather rosy picture of nonprofit performance in terms of the evaluative criteria we have identified, some soft spots are also apparent in the record. Three of these in particular deserve special mention.

- **Vulnerabilities.** In the first place, while the vulnerabilities were far less in evidence than the contributions, they were hardly absent from the record. To the contrary, four of the five vulnerabilities (all but paternalism) were significantly present in at least half of the fields examined, and three of them (resource insufficiency, amateurism, and particularism) were significantly present in nearly two-thirds of them. Especially noteworthy was the evidence of *resource insufficiency*, perhaps the greatest vulnerability of the nonprofit sector. In nearly 80 percent of the cases examined, significant evidence of resource insufficiency was reported by local experts. This is significant because resource insufficiency can cut into the performance of other nonprofit roles. In Australia, for example, the Local Associate reported that “nonprofit advocacy might be declining as a result of governments’ specifying that they fund only services and, in some cases, using contracts to prohibit public advocacy in the field of service being funded.” In France, “the representatives of these organizations say that the decrease of public funds often prevents them from being innovative... In other words, nonprofit organizations lack means to impulse new policies and to experiment [with] new practices.” In the Netherlands, most nonprofits do not conduct research due to limited funds, which limits the opportunity to develop technical innovations. Because the nonprofits compete for resources, French observers found that they may often have little incentive to cooperate with one another or work toward building a strong, cohesive community. And most common of all, resource insufficiency limits the sector’s ability to perform its service role in the equitable, high-quality way it would prefer.

- **Limited performance of the social capital/community building role.** A second soft spot in the findings concerns nonprofit performance of the social capital/community building role. In only 18 of the 29 cases was there evidence of moderate or high performance of this role. Many of the experts and associates acknowledged that community building/democratization is an important role that nonprofit organizations *should* be fulfilling, but there is apparently a large gap between what they “should” be doing and what they are actually doing. Thus, for example, the Colombia field memo faulted local environmental groups for failing to generate a sufficient level of community among environmental organizations. The Romanian field memo similarly conceded that “community solidarity is the most difficult [mission] to accomplish in the village’s world, but it is one of the most important.” Japanese experts similarly reported weak levels of mutual cooperation among nonprofits. These findings raise some question about the recent arguments of “social capital” theorists to the effect that the level of social capital in a community is heavily shaped by the presence of associations and other nonprofit organizations that can foster bonds of trust and teach habits of reciprocity (Putnam, 1993). While this doubtless happens, it happens less frequently than these theories seem to suggest.

Among the factors cited as explanations of this limited performance of the social capital role were professionalization of agency staff (Netherlands), lack of consultation among organizations (Ireland), competition for resources among organizations, and growing divisions between the service and advocacy roles of nonprofits.

- **Restricted performance of the advocacy role.** Although advocacy turns out to be a generally more widespread function of the nonprofit sector than sometimes feared, the data collected here also revealed considerable strains in this role. For one thing, advocacy in the sense of encouraging citizen involvement is quite common. But advocacy in the sense of promoting social change is less common (only 18 out of the 29 field memos reported medium or high levels of nonprofit performance in this area). One reason for this may be the substantial influence of government in the life of nonprofit organizations. In Japan, for example, associates reported that “it is very difficult to change the government or produce a major social change.” Lack of openness was also a barrier in Romania and Israel. In Israel, for example, political culture, along with the nature of the relations between the government and the third sector, keep nonprofits from influencing the enactment of new social legislation.

Perhaps more distressing is the evidence in some places of tension between the service role and the advocacy role of nonprofits. To illustrate, all six countries in the field of social services demonstrate a high level of fulfillment of the service role, whereas only half display a high level of fulfillment of the advocacy role. In France, the close involvement of organizations in both advocating for and serving the disabled “brought about a final fracture between the nonprofit organizations whose main activity is the management of establishments and services, and those which are exclusively advocating entities.” In Ireland, the advocacy role is much less developed than the service role, although a significant lobbying nonprofit has recently improved the quality of life for the

elderly. The local associate in Israel asserts that “on the whole, very little advocacy is done here [in the field of elderly care],” and one expert claims that nonprofits should be more involved in advocacy than just providing services, implying that the provision of services may overshadow the advocacy role (Israel). This is further exemplified through another expert: “We’re not involved in advocacy. It’s very important, but we don’t have the time.”

Conclusions and Implications

The discussion here hardly exhausts the body of data now being assembled on the impact of the nonprofit sector around the world through the Johns Hopkins Comparative Nonprofit Sector Project. At the same time, it should be clear even from this partial review that a rich new source of information on the contributions of nonprofit organizations is being assembled.

Based on what is known so far, however, several tentative conclusions can be identified. First, and most basically, it does seem possible to develop a reasonably systematic approach to assessing the contributions and drawbacks of the nonprofit sector without the prohibitively costly necessity of generating entirely new indicators. At the very least, the validation process and measurement of nonprofit contributions we have undertaken, drawing on available data and systematically collected expert views, provides some important insights into the impact that nonprofit organizations are having around the world.

From these sources, it is clear that this impact is quite substantial. Nonprofit organizations are performing a wide variety of service, innovation, advocacy, expressive, and community-building roles in diverse fields throughout the world. They are doing so, moreover, with far fewer drawbacks and vulnerabilities than often assumed. These are encouraging signs indeed for the future of public problem-solving.

At the same time, the record of nonprofit accomplishment in these areas is hardly without blemish. While nonprofits are clearly engaged in the provision of services, their involvement in the other critical roles is considerably less developed. This is particularly true of the social capital and expressive functions, but applies to some extent to advocacy as well. Similarly, while the vulnerabilities of the sector are much less in evidence than feared, they are hardly absent.

What this suggests is that the nonprofit sector is a vehicle of considerable promise for alleviating problems facing the world. This set of organizations is actively engaged in providing services, but doing so with a “plus.” Typically that plus takes the form of added flexibility, responsiveness, and innovativeness. But in a number of cases it also takes the form of advocacy, community building, and expressiveness. Even if it could be shown that the service role of nonprofit organizations could be performed just as well through other means, the loss of this “plus” would still justify retaining the nonprofit sector. Hopefully, the discussion here has helped bring that “plus” into better focus.

References

- Badelt, Christoph, and Peter Weiss. 1990. "Nonprofit and government organizations in social service provision: comparison of behavioral patterns for Austria." *Voluntas* 1 (1): 77-96.
- Berger, Peter L. & Richard John Neuhaus. 1996. *To Empower People: From State to Civil Society*. Washington, D.C.: AEI Press.
- Beveridge, Lord. 1948. *Voluntary Action: A Report on the Method of Social Advance*. London: Allen & Unwin.
- Billis, David and Howard Glennerster. 1998. "Human Services and the Voluntary Sector: Towards a Theory of Comparative Advantage." *Journal of Social Policy* 27(1): 79-98.
- Boris, Elizabeth and Rachel Mosher-Williams. 1998. "Nonprofit Advocacy Organizations: Assessing the Definitions, Classifications, and Data." *Nonprofit and Voluntary Sector Quarterly* 27(4): 488-506.
- Brett, E. 1993. "Voluntary Organizations as Development Organizations: Theorizing the Problem of Efficiency and Accountability." *Development and Change*. Vol. 24(2): 269-304.
- Clark, John. 1991. *Democratizing Development: The Role of Voluntary Organizations*. London: Earthscan.
- Clotfelter, Charles. 1992. *Who Benefits from the Nonprofit Sector?* Chicago: University of Chicago Press, 1992.
- Edwards, M. and Hulme, D. 1996. "Too Close for Comfort? The Impact of Official Aid on Nongovernmental Organizations," *World Development*, 24:6, 961-973.
- Farrington, John and Anthony Bebbington with Kate Wellard and David J. Lewis. 1993. *Reluctant Partners? Non-Governmental Organizations, the State and Sustainable Agricultural Development*. New York: Routledge.
- Fleishman, Joel. 1999. "Public Trust in Not-for-Profit Organizations and the Need for Regulatory Reform." In *Philanthropy and the Nonprofit Sector in a Changing America*, edited by Charles Clotfelter and Thomas Ehrlich. Bloomington and Indianapolis: Indiana University Press.
- Fowler, Alan. 1995. "Assessing NGO performance: Difficulties, dilemmas, and a way ahead," in Edwards and Hulme (eds.), op. cit., 1995, 169-186.
- Gronbjerg, Kirsten. 1994. *Understanding Nonprofit Funding*. San Francisco: Jossey-Bass.

- Habib, Adam and Rupert Taylor. 1999. "South Africa: Anti-apartheid NGOs in Transition." *Voluntas* 10(1): 73-82.
- Hansmann, Henry. 1980. "The Role of Nonprofit Enterprise," *Yale Law Journal* 89: 835-901.
- Hansmann, Henry. 1987. "Economic theories of Nonprofit Organizations." In *The Nonprofit Sector: A Research Handbook*, edited by Walter W. Powell. New Haven, Connecticut: Yale University Press.
- Hayes, Treasa. 1996. *Management, Control and Accountability in Nonprofit/Voluntary Organizations*. Brookfield, VT: Ashgate.
- Hems, Leslie and Passey. 1998. *The U.K Voluntary Sector Almanac 1998/99*. London: NCVO.
- Herzlinger, R. 1996. "Can Public Trust Nonprofits and Governments be Restored?" *Harvard Business Review*, March-April, 97-107.
- Hodgkinson, Virginia Ann. 1992. *Nonprofit Almanac, 1992-1993: Dimensions of the Independent Sector*. San Francisco: Jossey-Bass.
- James, Estelle, and Nancy Birdsall. 1992. "The Public Versus Private Provision of Social Services: Is there an Efficiency-Equity Tradeoff?" In *The Nonprofit Sector in the Global Community: Voices from Many Nations* by McCarthy, Kathleen D., Virginia A. Hodgkinson, Russy D. Sumariwalla and Associates. San Francisco: Jossey-Bass.
- Kingsley, G. Thomas & James O. Gibson. 1999. "Civil Society, the Public Sector, and Poor Communities." Number 12 Paper in Series, "The Future of the Public Sector," The Urban Institute.
- Knapp, Martin, Eileen Robertson, and Corinne Thomason. 1988. *Public money, voluntary action, Discussion Paper 500*. Personal Social Services Research Unit. Canterbury: University of Kent.
- Kramer, Ralph M., Hakon Lorentzen, Willem B. Melief, and Sergio Pasquinelli. 1993. *Privatization in Four European Countries: Comparative Studies in Government-Third Sector Relationships*. Armonk, NY: M.E. Sharpe.
- Kramer, Ralph M. 1981. *Voluntary Agencies in the Welfare State*. Berkeley: University of California Press.
- Lewis, Jane (ed.). 1998. *Gender, Social Care and Welfare State Restructuring in Europe*. Brookfield, VT: Ashgate.

- Lewis, Jane. 1995. *The Voluntary Sector, the State and Social Work in Britain: The Charity Organisation Society/Family Welfare Association since 1869*. Brookfield, VT: Edward Elgar Publishing.
- Light, Paul C. 1998. *Sustaining Innovation: Creating Nonprofit and Government Organizations That Innovate Naturally*. San Francisco: Jossey-Bass.
- Lipsky, Michael and Steven Rathgeb Smith. 1989. "Nonprofit Organizations, Government, and the Welfare State." *Political Science Quarterly* 104(4): 625-648.
- McKnight, John. 1995. *The Careless Society: community and its counterfeits*. (New York: BasicBooks).
- Osborne, Stephen P. 1998. *Voluntary Organizations and Innovation in Public Services*. London: Routledge.
- Ostrander, Susan A. 1989. "Private Social Services: Obstacles to the Welfare State?" *Nonprofit and Voluntary Sector Quarterly* 18(1): 25-45.
- Peyton, R. 1989. "Philanthropic Values." In *Philanthropic Giving*, edited by Richard Magat. New York: Oxford University Press.
- Przeworski, Adam and Henry Teune. 1970. *The Logic of Comparative Social Inquiry*. New York: Wiley Interscience.
- Putnam, Robert D. 1993. *Making Democracy Work: Civic Traditions in modern Italy*. Princeton, NJ: Princeton University Press.
- Riddell, R. and Robinson, M. 1992. "The Impact of NGO Poverty Alleviation Projects: Results of the Case Study Evaluations" Working Paper, 38. London: Overseas Development Institute.
- Ripley, Randall B. 1985. *Policy Analysis in Political Science*. Chicago, IL: Nelson-Hall Publishers.
- Salamon, Lester M. 1987. "Partners in Public Service: The Scope and Theory of Government-Nonprofit Relations," in W. Powell, ed., *The Nonprofit Sector: A Research Handbook*. New Haven: Yale University Press, 99-117.
- Salamon, Lester M., Helmut K. Anheier, Regina List, Stefan Toepler, S. Wojciech Sokolowski and Associates. 1999. *Global Civil Society: Dimensions of the Nonprofit Sector*. Baltimore: Johns Hopkins Comparative Nonprofit Sector Project.
- Salamon, Lester M. and Helmut K. Anheier. 1996. *The Emerging Nonprofit Sector: An Overview*. New York: Manchester University Press.

- Scott, W. Richard and John W. Meyer. 1991. "The Organization of Societal Sectors: Propositions and Early Evidence." In *The New Institutionalism in Organizational Analysis*, edited by Walter W. Powell and Paul J. DiMaggio.
- Smith, David Horton. 1973. "The Impact of the Volunteer Sector on Society." Reprinted in *America's Voluntary Spirit*. Reprinted from *Voluntary Action Research*, 1973. Lexington, MA: Lexington Books, D.C. Heath & Co.
- Tandon, Rajesh and Kumi Naidoo. 1999. *Civil Society at the Millennium*. West Hartford, Connecticut: Kumarian Press.
- Weisbrod, Burton Allen. 1975. "Toward a Theory of the Voluntary Non-Profit Sector in a Three-Sector Economy." In *Altruism, Morality and Economic Theory*, edited by Edmond S. Phelps. New York: Russell Sage.
- Weisbrod, Burton Allen. 1989. "Rewarding performance that is hard to measure: the private nonprofit sector." *Science* 244 (May): 541-546.
- Weisbrod, Burton Allen. 1988. *The Nonprofit Economy*. Cambridge, Massachusetts: Harvard University Press.

Unpublished Project Memoranda**Argentina**

Maria Andrea Campetella, 1997.
Mario Roitter, 1997, 1998, 1999.
Candelaria Garay, 1999.
Mirta Vuotto, 2000.

Australia

Mark Lyons and Martin Stewart-Weeks, 1999.

Colombia

Rodrigo Villar, 1997, 1998.

France

Edith Archambault, 1998.

Hungary

Agnes Vajda, 1997.

Ireland

Freda Donoghue, 1997.
Gwen Jaffro, 2000.
Helen Ruddle, 1999, 2000.

Israel

Benjamin Gidron, Samuel Shye, and Esther Zychlinski, 2000.

Japan

Masayuki Deguchi and Naoto Yamauchi, 1998.
Reiko Asano
Susumu Furutachi
Yuko Hattori
Kenjiro Hirayama
Makoto Iwata
Tomoyuki Kafuku
James O'Leary
Yoshihiro Mishima

The Netherlands

Peter Hupe and Lucas Meijs, 1997, 2000.

Peru

Hanny Cueva, Felipe Portocarrero, and Cynthia Sanborn, 1998.

Romania

Daniel Saulean, 1998.

Slovakia

Zuzana Fialova, 1998.

Spain

Jose Ignacio Ruiz Olabuenaga, 2000.

Tanzania

Amos Mhina and Ruth Meena, 1999.

Uganda

Bazaara Nyangabyaki, Nyago Kintu, and Ndebesa Mwambushya, 1999.

United Kingdom

Jeremy Kendall, 1997, 1999.

Rachel Wigglesworth, 1999.

United States

Stefan Toepler et. al, 2000.

THE JOHNS HOPKINS COMPARATIVE NONPROFIT SECTOR PROJECT*

Project Director: *Lester M. Salamon*

Principal Associate: *Leslie C. Hems*

Program Manager and Regional Coordinator for Developing Countries: *Regina List*

Regional Coordinator for Central and Eastern Europe: *Stefan Toepler*

Statistical Data Analyst: *Wojciech Sokolowski*

Former Associate Project Director: *Helmut K. Anheier* (as of December 1998)

LOCAL ASSOCIATES

Argentina

Mario Roitter
CEDES

Australia

Mark Lyons
UTS
CACOM

Austria

Christoph Badelt
Wirtschaftsuniversität Wien

Belgium

Jacques Defourny
Centre D'Économie Sociale
Universite de Liège

Jozef Pacolet

Higher Institute of Labour Studies
Katholieke Universiteit Leuven

Brazil

Leilah Landim
Instituto de Estudos da Religião

Colombia

Rodrigo Villar
Confederación Colombiana de ONGs

Czech Republic

Martin Potuček/Pavol Fric
Charles University
Institute of Sociological Studies

Egypt

Amani Kandil
Arab Network for NGOs

Finland

Voitto Helander
Institute of Public Administration
Åbo Academy

France

Edith Archambault
Laboratoire D'Economie Sociale
Universite de Paris I-Sorbonne

Germany

Eckhard Priller
Wissenschaftszentrum Berlin
AG Sozialberichterstattung

Annette Zimmer

Institut für Politikwissenschaft
Westfälische Wilhelms-Universität
Münster

Hungary

Éva Kuti/István Sebestény
Central Statistical Office
Voluntary Sector Statistics

India

S.S. Srivastava
Society for Participatory Research in
Asia

Ireland

Joyce O'Connor/Freda Donoghue
National College of Ireland

Israel

Benjamin Gidron
Ben Gurion University of the Negev
Department of Social Work

Italy

Paolo Barbetta
Istituto de Ricerca Sociale

Japan

Naoto Yamauchi/Masaaki Homma
Osaka School of International Public
Policy

Kenya

Karuti Kanyinga/Winnie Mitullah
University of Nairobi
Institute for Development Studies

Kuwait

Associate to be named

Lebanon

Hashem El Hussein
Lebanese University

Morocco

Salama Saidi
Rabat, Morocco

Mexico

CEMEFI
Principal Investigator: Gustavo
Verduzco
El Colegio de Mexico, A.C.

The Netherlands

Paul Dekker/Ary Burger
Social and Cultural Planning Bureau

* The following information is current as of August 1, 2000. For updated information, see the CNP

Web site: www.jhu.edu/~cnp.

Norway

Hakon Lorentzen
Institutt for Samfunnsforskning

Per Selle

Norwegian Research Centre in
Organization and Management

Pakistan

Hafiz Pasha
Social Policy Development Centre
(SPDC)

Peru

Felipe Portocarrero/Cynthia Sanborn
Centro de Investigación de la
Universidad del Pacífico

Poland

Ewa Les
University of Warsaw
Institute of Social Policy

Jan Jakub (Kuba) Wagnanski
KLON/JAWOR

Romania

Daniel Saulean
Civil Society Development
Foundation

Russia

Oleg Kazakov
LINKS - Moscow

Slovakia

Helena Woleková
S.P.A.C.E. Foundation

South Africa

Mark Swilling/Hanlie Van Dyk
Graduate School of Public &
Development Management
University of Witwatersrand

South Korea

Tae-kyu Park / Chang-soon Hwang
Yonsei University

Spain

Jose Ignacio Ruiz Olabuenaga
CINDES

Tanzania

Andrew Kiondo/Laurean Ndumbaro
University of Dar es Salaam

Thailand

Amara Pongsapich/Chaweewan
Saibua
Chulalongkorn University

Uganda

Bazaara Nyangabyaki
Centre for Basic Research

United Kingdom

Jeremy Kendall/Martin Knapp
London School of Economics &
Political Science

United States

Lester M. Salamon/S. Wojciech
Sokolowski
Johns Hopkins University
Center for Civil Society Studies

Venezuela

Rosa Amelia Gonzalez
IESA

PROJECT FUNDERS

Academy of Finland	Fundacion Banco Bilbao Vizcaya (Spain)	Ministry of Family and Children (Norway)
Aga Khan Foundation	Fundacion FES (Colombia)	Ministry of Family/World Bank (Venezuela)
Arab Gulf Fund	Humboldt Foundation/Transcoop (Germany)	Ministry of Foreign Affairs (Norway)
Australian Bureau of Statistics	Industry Commission (Australia)	Ministry of Health, Sports and Welfare (Netherlands)
Australian Research Council	Institute for Human Sciences (Austria)	Ministry of Social Affairs and Health (Finland)
Austrian Science Foundation	Inter-American Development Bank	C.S. Mott Foundation
Canadian Fund (Slovakia)	Inter-American Foundation	National Department of Planning (Colombia)
Charities Aid Foundation (U.K.)	Juliana Welzijn Fonds (Netherlands)	National Research Fund (Hungary)
Civil Society Development Foundation (Czech Republic)	Kahanoff Foundation (Canada)	OPEC
Civil Society Development Foundation (Romania)	W.K. Kellogg Foundation	Open Society Foundation (Slovakia)
Civil Society Development Foundation (Slovakia)	King Baudouin Foundation (Belgium)	David and Lucile Packard Foundation
Colombian Center on Philanthropy	Körber Foundation (Germany)	Research Council of Norway
Deutsche Bank Foundation (Germany)	Kuwait Awqaf Public Foundation	Rockefeller Brothers Fund
FIN (Netherlands)	Ministry of Church and Education (Norway)	Joseph Rowntree Foundation (U.K.)
Fondation de France	Ministry of Culture and Sports (Norway)	Sasakawa Peace Foundation (Japan)
Ford Foundation	Ministry of Education, Culture and Science (Netherlands)	U.S. Information Service
Foundation for an Open Society (Hungary)	Ministry of Environment (Norway)	Yad Hadaniv Foundation (Israel)
Fundacion Antonio Restrepo Barco (Colombia)		

INTERNATIONAL ADVISORY COMMITTEE

Nicole Alix France UNIOOSS	Pavol Demes Slovakia The German Marshall Fund	Kumi Naidoo USA Civicus
Farida Allaghi Saudi Arabia AGFUND	Barry Gaberman USA Ford Foundation	Miklos Marschall Germany Transparency International
Manuel Arango Mexico CEMEFI	Cornelia Higginson USA American Express Company	John Richardson Belgium European Foundation Centre
Mauricio Cabrera Galvis Colombia	Stanley Katz USA Princeton University	S. Bruce Schearer USA The Synergos Institute
John Clark USA The World Bank		

THE COMPARATIVE NONPROFIT SECTOR PROJECT WORKING PAPERS

History of the Nonprofit Sector in the Netherlands

Defining the Nonprofit Sector: Finland

Defining the Nonprofit Sector: Argentina

Defining the Nonprofit Sector: Romania

Philanthropy, Nationalism, and the Growth of Civil Society in Romania

Defining the Nonprofit Sector: Australia

Defining the Nonprofit Sector: Colombia

Defining the Nonprofit Sector: Ireland

Defining the Nonprofit Sector: The Czech Republic

Defining the Nonprofit Sector: Israel

Nonprofit Institutions and the 1993 System of National Accounts

The Third World's Third Sector in Comparative Perspective

Defining the Nonprofit Sector: The Netherlands

Social Origins of Civil Society: Explaining the Nonprofit Sector Cross-Nationally

The Nonprofit Sector: A New Global Force

Nonprofit Law: Ten Issues in Search of Resolution

The International Classification of Nonprofit Organizations - ICNPO. Revision 1.0

Caring Sector or Caring Society? Discovering the Nonprofit Sector Cross-Nationally

Defining the Nonprofit Sector: Sweden

Defining the Nonprofit Sector: Hungary

The Nonprofit Sector in the United Nations System of National Accounts: Definition, Treatment, and Practice

Toward an Understanding of the International Nonprofit Sector: The Johns Hopkins Comparative Nonprofit Sector Project

The Emerging Sector: A Statistical Supplement (1990 data)

To order copies of the CNP working papers, visit our Web site or call 410-516-4617 to request a publications catalog.

ON THE CENTER FOR CIVIL SOCIETY STUDIES WEB SITE www.jhu.edu/~ccss

- ▲ Research findings from the Comparative Nonprofit Sector Project
 - Full text of *The Emerging Sector Revisited: A Summary*
 - Comparative data tables
 - Country-at-a-glance tables
- ▲ Research findings from the Nonprofit Employment Data Project
 - Full text of *Maryland's Nonprofit Sector: A Major Economic Force*
- ▲ Abstracts of books and working papers
- ▲ Available in September 2000: The full text of CNP and CCSS working papers published *after January 1999*
- ▲ Links to online book ordering
- ▲ Program and project information
- ▲ Staff biographies/contact information
- ▲ Interview with Center Director Lester M. Salamon
- ▲ And much more