
EDITORIAL

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The nonprofit sector stands for a specific segment of modern societies. Its organisations neither belong to the public sector nor to the market. Since nonprofit organisations (NPOs) have to obey the non-distribution-constraint that exclusively allows re-investment of profits but not their distribution among the members of the organisation, nonprofits are distinct from commercial enterprises. Although they are private organisations, NPOs are operating within the public sphere. Like public organisations, nonprofits serve the common weal without, however, being formally part of government. Finally, there is a clear distinction between nonprofit organisations and communitarian entities, such as families or clans. While you are born into communitarian communities, affiliation with a nonprofit organisation is based on your individual decision. Nobody can be forced to join, to participate or to work in a Third Sector organisation.

In modern societies, there is to be found an immense diversity of NPOs. They are active in the arts and culture, in social services and also in advocacy and community-related issues. Hospitals are organised as NPOs as well as symphony orchestras or sports clubs. Although all of these organisations are working in different fields, fulfilling a variety of societal tasks, the Third Sector approach underlines the fact that these organisations have specific features in common. They are public regarding their organisational goals and intentions, but they are private with respect to their administrative structures and working procedures.

Within the field of policy analysis, Amitai Etzioni was the first scholar to draw the attention to these special organisations that are forming “a third alternative, indeed sector ... between the state and the market” (1973: 314). In his article which has gained momentum within Third Sector research, Etzioni was looking for administrative structures which can make it possible to combine “the best of two

worlds – efficiency and expertise from the business world with public interest, accountability and broader planning from government” (1973: 315). Against this background, Etzioni characterised Third Sector organisations as an institutional alternative besides government bureaucracies and commercial enterprises. Searching for the best way to serve the common weal, he strongly came out in favour of an intermediary function of the Third Sector matching and balancing the specific functions of the other two sectors.

Etzioni’s famous article “Organizations for the Future” was published in 1973. At that time in the US there were the first signs of public policy becoming heavily dominated by neo-liberalism, while at the same time policy experts in Europe were still entangled with the top down approach of public planning. In sum, during the oncoming decades, there was no room for a Third Sector approach. While economists believed that the market always solves societal problems best, neo-marxists and social democrats looked to the state for the appropriate solutions. In the meantime both avenues – the market approach as well as the state approach - turned out to be rather insufficient to address the problems of modern societies. In 1990s, policy experts have finally started to turn to nonprofit-organisations as stable partners in their search for a so-called “middle way” between sole reliance on the market or the state. Whereas in Asia, Latin America and Africa, nonprofits are playing a key role in development policies, in Europe, they are gaining momentum in the various fields of social policy.

This special issue of the journal German Policy Studies is focusing on the role of the nonprofit sector in selected European countries. The following analysis of the societal functions of nonprofit-organisations in Italy, France, Germany and Sweden are based on the results of the Johns Hopkins Comparative Nonprofit Sector Project that provides statistical profiles of the respective nonprofit sector as to its scale, scope and internal structures at nation-state level. Started by Lester M. Salamon and Helmut K. Anheier in 1990, the project has developed into a multi-national research endeavour in which more than 20 countries are taking part (Salamon/Anheier 1998). In each of the participating countries the nonprofit sector is analysed according to a research strategy which the members of the project have commonly agreed upon. Thus, the project participants

are working with a common definition of a NPO that is based on the following features: NPOs are

1. formal organisations; i.e. institutionalised to some extent,
2. private organisations; i.e. institutionally separate from government;
3. non-profit-distributing / non-commercial; i.e. not returning profits generated to their members or managers;
4. self-governing; i.e. equipped to control their own activities;
5. voluntary; i.e. involving some meaningful degree of voluntary participation;
6. nonreligious; i.e. not primarily involved in the promotion of the religious worship;
7. non-political; i.e. not primarily involved in promoting candidates for elected office (Salamon/Anheier 1994: 15f).

According to this definition, the sector covers a wide range of organisational forms and activities in each country. In the case of Germany, for instance, membership based associations, such as labour unions, sports or hobby clubs, are belonging to the sector as well as grant-making or operating foundations, advocacy or lobby groups or those nonprofits, which are primarily active in the field of personal social services, such as nonprofit hospitals. Mutual societies, parties and religious congregations have not been included in the comparative study of the Johns Hopkins Project. Furthermore in each country, a common approach was used to conceptualise the statistical profile. More precisely, data have been compiled according to the International Classification of Nonprofit Organizations (ICNPO) (Salamon/Anheier 1992) that identifies specific fields of nonprofit-activities (Salamon/Anheier 1998: 3).¹

Gian Paolo Barbeta from the University of Milan portrays the growing importance of the sector as a lively and innovative segment of the Italian welfare state. From a comparative perspective, Italy represents a prime example for a nonprofit sector that is significantly growing and at the same time rapidly changing its structure and composition. In accordance with Etzioni's argumentation, the Italian welfare state started to turn to the nonprofit sector, because of its own failure to provide social services of good quality and sufficient quantity. In the meantime, social co-operatives and foundations have

developed into the fastest growing segments of the sector, thus turning Italy's nonprofit sector into an innovative terrain for social entrepreneurship and philanthropic engagement.

Compared to the Italian example, Filip Wilkström from the University of Stockholm tells a very different story with respect to the role of the nonprofit sector in Sweden. Deeply rooted in the tradition of popular social movements, the Swedish nonprofit sector is dominated by organisations which are found in the field of culture and recreation or which are active in the mobilisation of various interests, e.g. trade unions and employer's associations. Until now, the prime function of Swedish NPOs has therefore been to serve as mediators of interests and basic values between citizens and the state. Currently however, even the Swedish welfare state increasingly turns to the nonprofit sector in his search for new avenues of social service provision. According to the analysis of Filip Wilkström, the Swedish nonprofit sector is at a cross-roads: Either Swedish nonprofits change into "silent" service providers working under government contracts like their Western European counterparts, or they are able to continue to function as the "voice" of society, setting or changing the political or social agenda.

According to the analysis of Edith Archambault from the University of Paris-Sorbonne, the French nonprofit sector has finally developed into an important part of the country's civil society. In sharp contrast to Sweden, France is a prime example of a centralized state, which has traditionally suppressed intermediary organisations. Compared to other Western European countries, the French nonprofit sector therefore looks back upon a short history that started in the 1980s, when the French government tried to decentralize and to increase the quality of social service provision. Until now, government and the nonprofit sector have developed a specific form of partnership or welfare mix. While public entities are responsible for the provision of encompassing services, NPOs are providing specialized services, thus taking care of specific groups and social needs, such as those of minorities or unemployed teenagers. Besides its service-providing function, the sector is slowly developing into an active member of the policy process giving "voice" to societal needs which up to now have not been on the political agenda.

In contrast to France, Germany's nonprofit sector is deeply embedded in the political and social history of the country. Since the 19th century, NPOs have been playing a central role in the provision of social services in Germany. However, according to the analysis of Annette Zimmer from the University of Muenster, the German welfare-mix as a specific style of public-private partnership is currently limiting the possibilities of the German nonprofit sector to develop into a job-machine of gainful employment. Although the chances for the sector to address the severe problem of unemployment are rather limited, in a broader policy perspective the sector nevertheless offers avenues for social integration, primarily by functioning as a transitional labour market.

Notes

1. Nonprofit-organizations were grouped within the following fields: 1. Culture, 2. Education and Research, 3. Health, 4. Social Services, 5. Environment, 6. Civic and Advovacy, 7. Philanthropy, 8. International, 9. Business and Professional Associations, Trade Unions, 10. Others.

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