

**Paper Number:** PA051308

**Paper Title:** Understanding the Next Generation of Nonprofit Workers: The Impact of Educational Debt

**Author(s):**

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**Summary of Research**

My paper will present a basic model of sector choice for employment by recent college graduates. This model identifies factors likely to influence graduates' choice to take a job in the nonprofit, private, or government sector. The model will be explored using data from the Baccalaureate and Beyond national longitudinal survey, with special emphasis placed on educational debt as a factor in early career decisions. My analysis will help nonprofit leaders to better understand the college educated entry-level workforce, and will provide a foundation for improving the nonprofit pipeline for future leaders.

**Description**

Student debt has increased dramatically in the past decade, growing in volume by 73% from 1993 and 2000, adjusted for inflation (Boushey, 2003). This dramatic increase resulted from an increase in both the number of indebted students, increasing from 43% to 68% of all students, and an increase in the average debt of indebted students, rising from \$9,500 to \$16,500 (Boushey, 2003).

How will this dramatic trend impact the entry-level nonprofit workforce? Economic theory suggests that students with higher debt burden will seek jobs with high entry-level salaries (Minicozzi, 2002). Based on this common-sense theory, graduates with high levels of educational debt are unlikely to seek work in the nonprofit sector since it is widely perceived as low-paying. Qualitative research focused on college senior suggests that concern about debt burden is one of the top deterrents to seeking employment in the nonprofit sector (Cryer, 2004).

In this paper I outline a basic model of sector choice in the early career decisions of college graduates. This model identifies factors likely to influence graduates' choice to take a job in the nonprofit, private, or government sector. I argue that sector choice is a function of graduates' individual attributes and values, financial circumstance, and the job market. I then explore this model using data from the National Center for Educational Statistics' Baccalaureate and Beyond national longitudinal survey.

My preliminary analysis suggests that contrary to economic theory and qualitative evidence, rates of indebtedness are actually higher for nonprofit employees. In addition, educational debt does not appear to be a significant factor in explaining early career sector choice. This initial finding is supported by existing research on Masters of Public Administration and Masters of Public Policy students which suggests that although often discussed by students, debt is not clearly linked to sector choice (Light, 1999, Chezovitch, 2003).

□ My paper will provide a framework for understanding how increasing educational debt might impact the nonprofit workforce. There is little published research focused on younger workers in the nonprofit sector, a cohort which will become increasingly important as baby-boomers retire. My analysis will help nonprofit leaders to better understand the college educated entry level workforce, and will provide a foundation for improving the nonprofit pipeline for future leaders.

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**Paper Number:** PA051314

**Paper Title:** What Determines Individual Giving and Volunteering in Japan? An Econometric Analysis Using New National Survey Data

**Author(s):**

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**Summary of Research**

This paper investigates the determinants of giving and volunteering in Japan, using a new micro data set. Sample selection method was used for estimating the giving function while Tobit model was used for estimating the volunteering function. The results show that financial assets, age of household head and home ownership have positive effects on cash giving. Findings also show that charitable deduction has a positive impact on giving. On the other hand, household disposable income, age, home ownership, and the presence of elderly family members, among other factors, have positive effects on volunteering.

**Description**

Proposal for a Paper Presentation

**Summary**

This paper investigates the determinants of giving and volunteering in Japan, using a micro data set collected in 2002 through the 'National Giving and Volunteering Survey' conducted by the Institute for Nonprofit Research and Information, Osaka University. Sample selection method was used for estimating the giving function while Tobit model was used for estimating the volunteering function.

The results show that financial assets, age of household head and home ownership have positive effects on cash giving. Findings also show that charitable deduction has a positive impact on giving. On the other hand, household disposable income, age, home ownership, and the presence of elderly family members, among other factors, have positive effects on volunteering.

Positive correlations between giving and volunteering and between volunteering by husbands and by wives were also found. This implies that policies for stimulating giving also have impacts on volunteering, and conversely policies for volunteering may have positive effects on giving.

JEL Classification Numbers: C34, D64,

Keywords: giving, volunteering, financial value of donations, sample selection, Tobit model

**Issues to be addressed**

We have been interested in the determinants of giving and volunteering, with special attentions to the international differences in giving and volunteering behavior.

First, we review issues such as how many people donate or volunteer each year, how much they give and how long or how frequent they volunteer for. We also look at whether there are variations in age, sex, educational attainment, income and wealth. We would like to compare these with those of other countries, including the United States.

Second, we show aggregate size of cash donations and estimated cash equivalence of volunteering. We also wish to show distribution of giving and volunteering among sub-sectors such as health, education and research, culture and social services.

Third, we answer the following questions: why people participate in volunteer works or donate cash without expecting any direct compensation in the first place.

**The topic's relation to the state of knowledge in the field**

While much of empirical research have been conducted for various countries using survey data, very little have been conducted in Asian countries, namely, Japan. One of the exceptions for Japanese context is Yamauchi (2003), which tried to explain individual giving and volunteering using aggregate data.

### Approach

We use a micro data set collected in 2002 through the 'National Giving and Volunteering Survey' conducted by the Institute for Nonprofit Research and Information, Osaka University, See Institute for Nonprofit Research and Information (2005) for details of the survey.

We have estimated giving and volunteering functions using econometric methods. We use micro data set from the survey mentioned above and run regressions giving and volunteering on various explanatory variables mentioned above. We use sample selection model with Heckman's technique. For some regressions we use Tobit model instead.

### The contributions of our work

We believe that our research contributes scientific and systematic understanding of Japanese giving and volunteering behavior, and the results of econometric analysis are useful for policy makers as well.

For instance, we investigate whether individual giving and volunteering are substitute or complement, with identifying correlations of residual terms. This is very important policy issues since public policy towards giving may have positive or negative effects on volunteering, and vice versa.

Then we investigate what effects the Japanese present tax system has on charitable giving by households. We confirm that charitable deduction for giving seems to increase the level of individual giving.

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**Paper Number:** PA051315

**Paper Title:** Ubiquitous, Invisible: Nonprofit Organisations in the Media

**Author(s):**

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**Summary of Research**

During International Year of the Volunteer, the three main metropolitan daily newspapers in Aotearoa/New Zealand were analysed over a three month period for all mentions of nonprofit organisations, volunteering and philanthropy. While only a small and selective sample, the results give an interesting and nuanced perspective on how the rest of a society might see this sector and its activities. How nonprofit organisations are portrayed in the media may also contribute to an understanding of the overall 'impact' of such organisations in society. The results appear particularly encouraging for the advocacy and public policy roles of nonprofit organisations.

**Description**

The rise of managerialism and the 'market model' in public policy internationally, including in Aotearoa/New Zealand particularly during the 1980s and 1990s (Boston et al, 1991), has increased the profile of 'the market' and 'market mechanisms'. The Government sector has also long been a significant and highly visible part of the national economy and society. For example, Core Crown Expenditure of the New Zealand government, while having fallen from over 40% of GDP at the beginning of the 1990s, still remains at around a third of the economy (NZDMA 2004).

The 'third sector' of nonprofit organizations and its archetypal activities of volunteering and philanthropy has a far lower profile than the other sectors in this country. For example, Bradford et al (2001) identify that less than a handful of papers in the Social Policy Journal of New Zealand explicitly deal with these aspects of society and only 5 to 10 per cent of papers even refer in passing to any form of voluntary action. Only 3 papers out of 40 published at that time in the Australasian Third Sector Review dealt with the third sector in Aotearoa/New Zealand.

Issues of visibility for nonprofit organizations are not restricted to Aotearoa/New Zealand. For example, in the US – where it might be imagined that nonprofit organizations are more prominent – around a third of the public lacked even minimal understanding of the term 'nonprofit' in one study (Schlesinger et al, 2004). Furthermore, it appears that at least half the New Zealanders involved in unpaid work outside the household do not think they are doing voluntary work. When the census question was changed from asking about 'voluntary work' to 'unpaid work outside the household', the proportion of the population who identified that they were engaged in this kind of activity increased from 19 per cent to 45 per cent of the adult population (Statistics New Zealand, 1998).

By the turn of the century the light was beginning to shine on this sector. A government was elected on a policy platform of replacing a market-driven 'contract culture' with a spirit of 'partnership' with the third sector. The first Minister for the Community & Voluntary Sector was appointed; a ground-breaking Statement of Government Intentions on its dealings with nonprofit organizations was approved by Cabinet; a 3 year Government-Community & Voluntary Sector Working Party was established; and a coordinating Office for the Community & Voluntary Sector was established within government. A commitment was made to undertake the second national time-use survey (crucial in raising the visibility of the voluntary action); funding was provided for Statistics New Zealand to produce the first nonprofit satellite accounts; and, collaboratively with philanthropic trusts, resources were provided to enable Aotearoa/New Zealand participation in the Johns Hopkins Comparative Nonprofit Sector Project.

On the edge of this sea-change in public policy attention, in 2001 a small study was initiated for International Year of the Volunteer on how nonprofit organisations, volunteering and philanthropy are

represented in the media. For three months the major daily newspapers in Auckland (the country's largest city and commercial capital), Wellington (the political capital) and Christchurch (a major provincial centre and largest city on the South Island) were reviewed and all mentions of either nonprofit organisations, volunteering or philanthropy were clipped, analysed and classified according to the type of coverage, the issue being covered, both the types of and the specific organisations receiving the most coverage, and how volunteers, voluntary organisations and philanthropy are portrayed.

While daily newspapers are only one form of media, and may be considered less glamorous than broadcasting and not as trendy as new electronic media, they are still significant in modern Aotearoa/New Zealand society. On a typical day, daily newspapers reach 1.6 million (or 54%) of New Zealanders aged 15 years or more, and each week 80% of people aged 15 years plus will read at least one daily paper (with even higher penetration of high income earners and what the marketers refer to as 'influentials' and 'decision-makers'). With a combined readership of 1.1 million, the three dailies selected for this study represent over two-thirds of audited newspaper readership in the country (Nielsen Media Research, 2004).

It was hoped that the study could provide a snapshot into how the general public might see nonprofit organisations, volunteering and philanthropy, or at least the dominant images that the general public are being provided with. Indirectly, it was also anticipated that this might serve as one element in understanding the impact of the sector in society, to add to emerging descriptive data on the sector's financial turnover, employment, membership and community involvement (See for example the 'impact' component of a proposed Civil Society Index in Salamon, 2004).

There is surprisingly little international research literature on nonprofit organisations in the mass media (Greenberg & Walters, 2004). However, a few relatively substantial studies have now been undertaken in Britain (Deacon, 1996; Deacon, 1999; Deacon et al, 1995; Fenton et al, 1993), the United States (Martens, 1998; Jacobs & Glass, 2002), and Canada (Greenberg & Walters, 2004). The small Aotearoa/New Zealand study is currently being reanalyzed where possible to identify both recurring themes and differences with these larger scale studies from other countries.

Initial analysis of the New Zealand coverage confirms two apparently contradictory propositions about the sector: it is both ubiquitous and invisible. We wouldn't have the news pages without them. Coverage of nonprofit organisations is substantial and frequently prominent. It is also often the major focus of a news story (not just incidental coverage). However this is only the case if individual organisations known to be nonprofits are included. For actual mentions of nonprofit status (or equivalent), volunteering or giving are much rarer.

There are some potentially useful lessons for nonprofit organisations interested in getting more media attention. In addition, the study has some encouraging implications for organisations with an advocacy or public education role. If the press is any reflection of societal expectations, it is ironic that greatest prominence of all is given to nonprofit organisations when they are undertaking an advocacy role – particularly in relation in public policy. It appears that at least the print media identifies nonprofit organisations as an especially trusted (or at least 'independent') voice on many key public policy debates - a voice that appears to be valued for its contribution and deserving of being heard as an important part of these debates. The irony is that this comes at a time when there are moves in a number of countries, including Aotearoa/New Zealand to restrict or limit the advocacy role of nonprofits. This may identify a strategic ally for nonprofits in any battles that threaten their advocacy role. However, some types of organisations and some individual organisations are covered much more frequently than others in the press. This could have significant implications for the voices that are not heard in these same public policy debates.

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**Paper Number:** PA051316

**Paper Title:** By the People, For the People? Governance models, board members and the realities of leading nonprofit organisations

**Author(s):**

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**Summary of Research**

There are contradictory forces at bay in the board rooms of our nonprofit organisations. On the one hand, the rhetoric on civil society and social capital has encouraged us to expect these organisations to be 'crucibles of democracy' and venues for citizen participation. On the other hand, the rubrics of 'efficiency and effectiveness' and customer responsiveness, especially (but not exclusively) associated with contracting out from government, promote a 'corporate', hands-off policy governance model. Through an in-depth case study and a survey of nonprofit boards, the implications of these tensions are explored for how nonprofit organisations are governed in practice.

**Description**

Cornforth (1995) identifies the two functions of nonprofit boards which probably receive the most attention in what he calls the 'prescriptive' (how-to) literature, are those of stewardship and strategic leadership. He identifies a tension between these two functions, similar to the tension between 'efficiency and effectiveness' on the one hand, and 'democracy and accountability' on the other. If efficiency and effectiveness (and giving strategic direction) is our primary concern, it is likely to require a smaller, homogenous, carefully selected, tight board that works seamlessly with the organisation's paid manager. If democracy and accountability (and exercising stewardship) is our primary concern, it is likely to require a larger, diverse, widely elected, arms-length board that offers effective oversight of the paid manager (if there is one). Given that most boards might be expected to aspire to provide both strong stewardship and strategic leadership, the invidious trade-offs are immediately apparent.

To some extent these tensions are echoed by the competing paradigms that Lyons (1996) identifies as potentially at the heart of how we conceive of organisations as either primarily nonprofit service providers (which require us to maximise efficiency, effectiveness and customer responsiveness) or as civil society (which requires us to maximise opportunities for participation, developmental processes and democracy).

Despite sporadic attempts to impose increased levels of accountability on boards (often through regulatory functions), the main thrust in the nonprofit governance literature has in recent years been to equate good governance with what Lyons (1996) refers to as a 'corporate' governance model – most clearly epitomised by the Craver Policy Governance model (Carver, 1990). This has also broadly been the approach preferred by many government funders under the influence of 'new managerialism' (Boston et al, 1991). This model is well-suited for boards wanting to put an emphasis on their strategic leadership role, and seeing themselves primarily as service-providers, but (it could be argued) might also be associated with a vulnerability to accountability lapses. It might also be expected over time to undermine participatory, developmental and democratic objectives.

The governance model which is associated with promoting these latter objectives is usually referred to as the 'community management' model (Nyland, 1993). This model is less well developed than corporate governance models and is not as well documented. However, it is likely to influence the structure and approach of more nonprofit organisations.

These are some of the propositions being tested by a survey of nonprofit boards in one provincial centre in Aotearoa/New Zealand. A reasonably comprehensive local data base of some 4,500 community organisations has been selected to provide the sampling frame. The study will consider who governs these organisations, and how their demographic characteristics compare to the wider



community and, where identifiable, of the specific communities being served. The local findings will be compared, on the one hand, with findings from some of the literature on boards and effectiveness, and 'elites' and diversity in board membership (for example, Abzug & Galaskiewicz, 2001; Brown & Iverson, 2004; Herman, 2005). It will also be compared on the other hand with the literature on the 'failure' of the community management model (for example, Bryson, et al, 1993; Roberts, 1993; Roberts & Pietsch, 1993)

A detailed case study (Nowland-Foreman, 1998) will be used to illustrate the tensions and trade-off in governance identified above.

The purpose is not to promote one governance model over another, but to emphasise that there are a range of models available, each with their respective strengths and weaknesses. It is argued that of major importance is the recognition of the in-built tensions, the importance of fitting solutions to the particular context in which an organisation is operating, and an awareness of the trade-offs made in any approach adopted. It is suggested that only in this way can the risks and limitations of any particular governance choice be effectively managed and contained.

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**Paper Number:** PA051318

**Paper Title:** Competition and Collaboration Strategies: United Ways and Community Foundations in a Transition Period of Reshaping the Ecology of the Social Sector

**Author(s):**

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**Summary of Research**

This presentation reports on a study of United Ways and community foundations. It extends earlier empirical studies by examining the larger strategic framework of these organizations, relationships between the key actors in the community philanthropy field, and the organizational changes that are concomitant with these new strategies. Building on an array of theories it begins to develop a model for understanding the current transition period between an old paradigm of community philanthropy and some new and still ill defined model for capitalizing the social sector.

**Description**

The field of community philanthropy is undergoing radical change. The field is characterized by increased competition for charitable dollars, changes in corporate giving, decline in donations to United Ways (Gray, 1997, AAFR Trust for Philanthropy, 2003, United Way of America, 2002), increases in giving to community foundations, greater designation or restriction of giving by donors, the emergence of technology and competitors that help to cut-out (or substitute for the current) ?middlemen? in community charity.

United Ways and community foundations are critical components of community level philanthropy and the support of nonprofit organizations serving communities. They both play important, even central, roles in raising funds, making allocations to service providers, and providing leadership in community planning and priority setting. Both organizations, particularly United Ways, face challenges to their role in the community and even their survival in current form. Both are pursuing a range of strategies that will change them as organizations and greatly influence the charitable and nonprofit sector at the community level.

This presentation reports on a preliminary empirical study of United Ways and community foundations in three communities or regions as they develop new strategies to maintain and increase their ability to raise funds, extend their ability to influence the setting of nonprofit and governmental agendas, and enhance their impact on community problems. The theoretical framework used in this research is drawn from several perspectives: resource dependency (Pfefer and Salancik, 2003) the new institutionalism (Powell and DiMaggio, 1991), social ecology, market competition, and organizational change theories.

This research builds on earlier empirical studies of United Ways (Barman, 2003, Julian, 2001, Gronbjerg, 2004, Gronbjerg et al., 1996) as they implement the ?community impact? model. It extends this work by stepping back to examine the larger strategic framework of these organizations, relationships between the key actors in the social ecological field of community philanthropy (particularly community foundations), and the organizational changes that are concomitant with these new strategies.

The market competition model developed by this research is a productive theoretical framework for understanding this current transition period between an old paradigm of community philanthropy and some new, emergent and still ill-defined model for capitalizing the social sector (Miller, 2003, Nonprofit Finance Fund, 2001). The interviews conducted for this study indicate that competition is the primary empirical reality, at the moment, of what is driving behavior and what underlies the relationship between United Ways, community foundations, nonprofit service providers, and a myriad of other ?vendors? ?

investment advisors, community analysts and planners, the many federated giving associations, management consultants, government units, community organizations, fund raising professionals and processors/managers of charitable contributions and distributions that service the field of community philanthropy.

Several of our respondents recognized and articulated in different ways the interdependence of United Ways, community foundations, and nonprofit providers, and that a publicly perceived failure by one of them would affect all of them. That effect would come in the form of reduced credibility across the board and loss of financial support. There are strong cultural biases that say charities ought to cooperate, not compete, and that any form of competition in the independent sector wastes resources. As competition reaches this culturally defined limit then the perspective of the institutional model or resource dependency theoretical framework will be more useful in understanding the strategic behavior of these organizations. The perspectives expressed by these respondents also provide some grounding for an expectation that a more radical change in how the sector is capitalized is a possible outcome.

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**Paper Number:** PA051320

**Paper Title:** You Better Shop Around: Nonprofit or For-Profit Developers in Subsidized Housing?

**Author(s):**

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**Summary of Research**

In State housing production, public managers increasingly face choices between nonprofit and for-profit developers. While theory touts nonprofit developers for their unique role in distressed neighborhoods and the minimal government monitoring they require, empirical knowledge is thin. This case study of subsidized housing development in New York City explores sector differences in the planning and management of housing development. Developer activities are examined through in-depth interviews, document analysis, and secondary literature review. Recognizing the role of public management in service delivery, and the possible mitigating effects, data collection also includes City staff, neighborhood planning board members, and community-based nonprofit organizations.

**Description**

Driven by decades of devolution and retrenchment in federal social policy (Morley, 1999; Greene, 2002), today's State housing programs are increasingly reliant on private developers for affordable housing production. Therein, nonprofit developers are targeted for subsidies because they are expected to fill-in where for-profit actors are missing - in high-risk, distressed neighborhoods- and to provide quality housing with little government monitoring (Weisbrod, 1977; Nelson and Krashinsky, 1973; Hansmann, 1980).

Unfortunately our empirical knowledge on private, subsidized developers, including the validity of these assumptions, is limited. Few scholars of nonprofits have specifically considered those doing housing development (Steinberg, 1999). And translating any of the existing findings to the housing market is not straightforward. Perhaps most importantly, the relative behaviors of nonprofit and for-profit developers have rarely been investigated (rare exceptions include Cummings & DiPasquale, 1999; Hebert & Wallace, 1998; Leachman, 1997).

Addressing this knowledge gap, I am conducting a case study of the provision of subsidized, affordable housing in a single New York City neighborhood over the period from 1987 to 2000. I explore whether systematic differences exist in the production of "goods" (i.e., planning and management of housing development) between subsidized for-profit and nonprofit housing developers. How are building and unit designs developed? How are resources, such as labor and materials, chosen? How is the construction process managed? And who participates in these processes?

Based on economic theory we expect nonprofit and for-profit developers to behave differently. According to the theory of "contract failure," for-profit firms will take advantage of situations where buyers face incomplete information about products or services (Hansmann, 1980). Thus, in the subsidized housing market, the project design and construction decisions of for-profit developers may result in subtle deficiencies in quality. Alternatively, economic theory suggests that nonprofit developers, lacking the profit motive, may have fewer incentives to cut corners. Considering their mission-driven, often community-based, orientation, nonprofit developers can be expected to consult community residents more frequently in the course of project development than for-profit firms. We might also expect to find nonprofits incorporating more amenities into their designs (such as courtyard space, community rooms, or elevators) as compared to for-profit designs, including fewer amenities with higher quality expectations.

While economic and nonprofit theory provides sound support for these hypotheses, we must not overlook the larger context. Housing services are delivered through decentralized structures that involve multiple State and private organizations. The City's "contracting regime(s)" likely influence

service delivery (Smith, 1996); just as government relations may differ for nonprofit and for-profit developers (as suggested by Kapur & Weisbrod, 2000; Stone, Hager & Griffin, 2001). For example, Leachman (1997) finds that public programs and policy affect the extent of distinctions in the rental products produced by nonprofit and for-profit housing organizations in Chicago. When programmatic features are considered (e.g. when funding requirements force recipients to produce very low rent projects) differences begin to break down.

To maximize confidence in my findings, this study examines a single information-rich case (neighborhood) with considerable subsidized housing activity by both sectors. This geographic focus minimizes the complexity of contextual variables - the tremendous variation in housing conditions and local history across neighborhoods - and supports an embedded analysis of developers.

Data collection includes interviews, document analysis, and secondary literature review to explore the complex of City staff, developers, and community organizations shaping subsidized housing production under City programs. There are four categories of interview subjects in this study (subsidized housing developers, City staff, Community Board Members, and executives of community-based nonprofit organizations).

Evidence of sectoral differences in housing production has both practical and academic significance. It will add to the growing literature on nonprofit housing activities and performance. And as cities are experimenting with ways to spur affordable housing development, particularly in devastated central city neighborhoods, rigorous evidence on nonprofit and for-profit developers is also immediately relevant to public managers. Community organizations and advocates participating in the highly politicized process of delivering housing services will also be quite interested. As informal actors in the governance process, they may craft their local housing strategies in light of this knowledge.

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**Paper Number:** PA051321

**Paper Title:** Hospitals for Rural Communities: The Commonwealth Fund and Experimental Origins of Community Organizing and the Hill-Burton Act

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### **Summary of Research**

In the 1920s and 1930s The Commonwealth Fund of New York had initiated a program to help rural communities construct hospitals. The program was termed a “demonstration program” and was designed as an experimental model for future national efforts to provide quality health care to rural communities. This paper traces the origins, the evolution, and the operation of the Rural Hospital Program of The Commonwealth Fund. It also analyzes the effects this program had on development of the Hill-Burton Act as well as on other community organizing efforts.

### **Description**

Hospitals for Rural Communities:  
The Commonwealth Fund and Experimental Origins of  
Community Organizing and the Hill-Burton Act

### **ABSTRACT**

Private foundations can play an important societal role in helping develop new programs to address critical social problems. Foundations can privately try out demonstration projects, make experimental changes in the development process, and provide the public sector with proven models that can be adopted for general use without using public funds for research and development costs. An example of such an initiative is the Rural Hospital Project of the Commonwealth Fund in the 1920s and 1930s. This program helped pave the way for the federal government to successfully develop and implement the Hill-Burton Act to provide hospitals for rural communities across the United States. It also developed a successful model for organizing and mobilizing community leadership that assisted the Hill-Burton Act as well as future community projects.

Following World War II the United States Congress passed the Hospital Survey and Construction Act, also known as the Hill-Burton Act. This legislation funded the construction of hospitals in underserved areas throughout the country, particularly in rural areas. The concepts and structure of the Hill-Burton Act were based on recommendations from the Commission on Hospital Care convened by the American Hospital Association and the United States Public Health Service.

In the 1920s and 1930s The Commonwealth Fund of New York had initiated a program to help rural communities construct hospitals. The project was termed a “demonstration program” and was designed as an experimental model for future national efforts to provide quality health care to rural communities. Growing out of their rural child health program, the hospital project not only contributed funds to help each community construct their own hospital but also provided the systems and expertise to operate the completed hospital, attract and train qualified physicians, and coordinate hospital care with public health measures. By 1945, The Commonwealth Fund had constructed 15 hospitals in communities across the United States. The systems developed by The Commonwealth Fund for these projects resemble those of the Hill-Burton Act in many key ways and provide a valuable, although seldom recognized, illustration of how a foundation demonstration program can assist public policy.

This paper traces the origins, the evolution, and the operation of the Rural Hospital Program of The Commonwealth Fund. It also analyzes the effects this program had on development of the Hill-Burton Act as well as on other community organizing efforts. Using reactions to the program by contemporary historians, it analyzes the conflicting long-term effects that foundation demonstration programs can have. It includes brief descriptions of other key health care experimental projects that had been

developed by The Commonwealth Fund, including the regional coordination of health facilities and of health care systems. It also indicates how this and other foundation demonstration programs have been utilized or ignored by those constructing policy. If one role of private foundations is to provide social experimentation for new policy, how the public and those crafting public policy acknowledge those programs is a critical issue if our society is to fully utilize this private resource. The evolution, public awareness, and political treatment of The Commonwealth Fund's Rural Hospital Project provide an instructive example of both sides of this issue.

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**Paper Number:** PA051322

**Paper Title:** Nonprofit Adaptive Capacity: Operationalizing and Measuring a Crucial Piece of the Performance Equation

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### **Summary of Research**

This paper builds on research that conceptualizes nonprofit organizational effectiveness as composed of both the outcomes produced by an organization but also the capacity of this organization to deliver services. This paper will present an examination of nonprofit adaptive capacity, drawing on data from a survey of nonprofit organizations providing human services in the state of South Carolina. Using confirmatory factor analysis, this paper will seek to operationalize adaptive capacity around the previously specified processes embedded in the concept:

1. Learning
2. Responsiveness
3. Innovativeness
4. Motivation

### **Description**

The past twenty years have brought significant changes to the operating environment of nonprofit organizations in the United States. Nonprofit organizations have become more involved in the delivery of public services, facing pressure to demonstrate higher performance and accountability, with emphasis generally placed on the measurement and demonstration of the outcomes of their services (Light 2004). Nonprofit organizations today must be able to demonstrate high performance, but most importantly they must be able to adapt and adjust to environmental pressures to ensure that this high performance continues into the future.

While scholars studying nonprofit organizational performance or effectiveness are far from consensus on the crucial components of a high performing nonprofit organization, recent events, such as concern over nonprofit financial accountability in the wake of September 11, 2001, have particularly heightened the need to improve the knowledge base on nonprofit organizational performance. This paper seeks to contribute to this knowledge base through the operationalization and measurement of an essential but often neglected part of nonprofit organizational effectiveness or performance, adaptive capacity.

Scholars studying nonprofit organizational effectiveness have focused on numerous different measures, including (but not limited to) the achievement of organizational goals, the satisfaction of clients and/or external stakeholders, and the ability of organizations to survive and draw sufficient resources from their environment (for a review see Forbes 1998 and Herman and Renz 1999). The ability to specify a single measure of organizational effectiveness is next to impossible, with more and more scholars viewing nonprofit organizational effectiveness as a multi-dimensional construct that can be best measured and understood as a framework composed of these multiple dimensions (Letts, Ryan and Grossman 1999; Selden and Sowa 2004; Sowa, Selden and Sandfort 2004).

This paper builds on research that conceptualizes organizational effectiveness as composed of both the outcomes produced by the organization being investigated but also the capacity of this organization to deliver services and/or regulate behavior. Organizational performance is more than the mere outcomes of the programs it operates or the services it provides. It is as importantly a function of its management structures, how well they operate, and their impact on the most crucial organizational resource, its employees (Selden and Sowa 2004; Sowa, Selden and Sandfort 2004). In addition to management capacity and program capacity, the final piece of the performance puzzle or equation is an organization's adaptive capacity, which can be defined as the ability of an organization to respond to change. Scholars argue that "for an organization to be more than the sum of its programs, it needs the

ability to ask, listen and reflect, and adapt” (Letts, Ryan, and Grossman 1999, 21). While progress has been made measuring management and program capacity and linking these measures to management and program outcomes and more broadly organizational performance (see Selden and Sowa 2004), adaptive capacity remains a vague concept that scholars have not sufficiently developed beyond the conceptual level.

This paper will present an examination of nonprofit adaptive capacity, drawing on data from a survey of nonprofit organizations providing human services in the state of South Carolina. Using confirmatory factor analysis, this paper will seek to operationalize adaptive capacity around the previously specified processes embedded in the concept:

1. □ Learning: the ability to measure performance and identify areas for improvement
2. □ Responsiveness: measuring client satisfaction and making appropriate quality changes
3. □ Innovativeness: the ability to use management and program capacity to create new programs
4. □ Motivation: the ability to create a work environment where people see the results of their work and are thereby motivated to perform (Letts, Ryan, and Grossman 1999, 22-23).

This paper will be beneficial to the knowledge base on nonprofit organizational performance through the measurement of this underspecified piece of the performance equation, allowing for this to be added to future comprehensive examination of nonprofit organizational effectiveness.

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**Paper Number:** PA051323

**Paper Title:** Struggles Between "Head" and "Heart" in Parents' Self-Help Organizations: Support Families or Grow the Business

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**Summary of Research**

Tensions between the metaphorical "heart" (support families) and "head" (grow the business) approaches in parents' self-help organizations whose children have a rare disease is considered in a qualitative study of eight organizations selected to match those in a Japanese study. Semi-structured interviews were recorded with 87% of respondents and transcribed verbatim. We found that paradoxically most organizations must operate nationally because potential members are geographically dispersed, but their structures tend toward local grassroots' (Smith 2000) forms. How "head" and "heart" tensions are managed is examined. Future analyses will make cross-national comparisons of Japanese and equivalent US organizations.

**Description**

The tension between the metaphorical "head" versus the "heart" approaches is ubiquitous, if often implicit, in the literature on nonprofit and voluntary organizations. Whether termed "business" versus "fellowship," "instrumental" versus "expressive," or "professional" versus "amateur," the differences between the two orientations may be more noticeable with the professionalization of nonprofit management. By 1988 Jon Van Til described the emerging development of over 100 programs on nonprofit management in universities concluding that the first policy issue of concern is "the degree to which the sector should adopt a "business-like" stance in the conducting of its affairs" (1988: 213); with the concern about being overly business-like or like the for profit organization. Since then the trends toward business-like approaches to nonprofit management have continued. Fewer proponents defend the value of the "heart" dimension, with such exceptions as David E. Mason's book (1996) *Leading and Managing the Expressive Dimension: Harnessing the Hidden Power Source of the Nonprofit Sector*..

Tensions between the "head" and "heart" approaches have implications for the viability and functioning of organizations which may be particularly illuminated in our sample of parents' self-help organizations. The organizations were founded primarily by parents whose child had the rare or intractable disease/condition of interest. A major goal of all these organizations is to provide support to parents whose children have the disease/condition for which the organization was formed; this "heart" goal is usually supplemented with such additional "head" goals as supporting medical research or advocacy. However, the disease/condition of concern is usually relatively to extremely rare so that parents whose children have the condition are scattered around the country. Our sample may be an especially good venue to examine the "head/heart" issues because they tend to be paradoxically informal, leaning toward the grassroots type of structure, but trying to serve national constituencies because of the low incidence of potential members in any local area.

**Methods**

A preliminary qualitative study of the organizational difficulties found in parents' self-help organizations has been conducted in the US. The sample was based on the diseases/conditions of the 35 parents' self-help organizations in Japan that (2003) studied over a 10 year period. US organizations that matched those in the Japanese sample were identified from the websites of the American Self-Help Clearinghouse or of the National Organization for Rare Diseases. Eight organizations were selected. Introductory letters and phone calls that explained the study were made to invite participation in the study. Seven of 8 organizations (87 %) participated. However, in interviewing we found that one organization was in fact two organizations—a local/regional one and its national level umbrella organization; thus our sample included 8 organizations. We tried to interview two founders, executive directors, or board members in each organization; additional interviews would have been desirable but

we had limited resources. In 7 of 8 organizations (87%) we obtained the number of interviews requested with no refusals.

Semi-structured interviews of an hour to 1 ½ hours were conducted face-to-face or over the telephone, recorded and transcribed verbatim. The interview contained questions about the founding, organizational structure (board composition, professional advisory boards, paid/unpaid staff, decision making) and organizational issues or challenges based on the Japanese study such as shortage of leaders and volunteers, conflicts and dysfunctional leadership patterns, financial restrictions, and attitudinal questions characterizing the organization. Written materials such as board manuals and newsletters were collected, and information was retrieved from their web sites. We selected various research themes based on the literature and the interviews and will be coding the transcripts with NUD\*IST. In the analysis, Dart's recent study (2004) that found various aspects of being business-like will need to be distinguished including: goals, manner in which the work is organized, management of the organization, and rhetoric (language, discourse, exemplars) will be used.

### Findings and Conclusions

In David H. Smith's terms (2000) the organizations we studied range along a structural continuum from grassroots associations, supralocal voluntary organizations to small and large paid-staff nonprofit organizations. We expect to find that both in terms of goals, and, the way they were organized to do their work and to manage the organization, there were various tensions between the two orientations. How can and do these contradictory perspectives work together or cause conflict in the organization? The parents' self-help organizations held "heart" perspectives but were trying to operate nationally which required an organizational structure with solid "head" approaches. An interesting paradox is that most of them must operate nationally because of the low incidence of potential members in any local area, but some of their structures are more suited to local grassroots organizations. Straddling two worlds can affect their viability: at one extreme, one had disbanded, but, at the other extreme, two had become large paid staff nonprofit organizations with extensive resources. Future analyses will make cross-national comparisons with the equivalent Japanese organizations.

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**Paper Number:** PA051324

**Paper Title:** Federal Policy Shifts and Nonprofits: Foreign Policy Change and its Effect on U.S. International NGOs

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**Summary of Research**

This paper examines change in the financing and regional priorities of U.S.-based international NGOs (INGOs) in light of shifts in foreign policy objectives after September 11, 2001. Foreign policy shifts included a general increase in the funding of international aid programs and a shift in focus from post-communist countries to the Middle East. The paper explores mission drift of INGOs and shifts in INGO reliance on government funds as well as INGO autonomy, legitimacy, accountability and political advocacy. It uses data from National Center for Charitable Statistics/GuideStar to compare the financing and regional priorities of INGOs before and after 2001.

**Description**

This paper examines federal policy shifts and consequences for nonprofits by analyzing U.S.-based international NGOs (INGOs) in light of shifts in foreign policy objectives after Sept 11, 2001. Shifts in federal policy can often have significant consequences for nonprofits. Most federal policy shifts, however, are incremental making it difficult to attribute policy change to changes in the operations and financing of nonprofits. Exceptions to this include large-scale reforms such as welfare reform in 1996 and the realignment of foreign policy after September 11th. This paper uses data from the National Center for Charitable Statistics/GuideStar to compare the financing and regional priorities of international NGOs before and after 2001 when large foreign policy change occurred.

In response to the events of September 11th, U.S. foreign policy shifted in two ways important to international nonprofits. First, new foreign policy objectives called for a general increase in the funding of international aid programs to mitigate insecurity in unstable regions and foster positive international relations. Second, the major focus of foreign policy shifted from post-communist countries to the Middle East (Radelet, 2003). These changes in foreign policy came at a time when the federal government continued to contract out foreign assistance projects to INGOs. Consequently, new foreign policy objectives are expected to be reflected in changes in the activities and financing of INGOs.

To examine the extent of these trends on INGOs, this paper makes use of data compiled by Reid and Kerlin (2005) examining financial and other information these organizations file with the Internal Revenue Service that is accessible through the NCCS/GuideStar Nonprofit Database. The paper examines the government, private, and mixed revenue streams of INGOs, their areas of activity, and their regional focus in 2002 as compared with the same data for the years 1999-2001.

This paper sheds light on the impact of foreign policy goals on the partnership between government and nonprofits in international activities. The paper explores mission drift of INGOs due to government influence and shifts in INGO reliance on government funds. In doing so it raises issues of INGO autonomy, legitimacy, accountability and ability to advocate politically when there is close engagement with government to implement official aid programs (Edwards and Hulme, 1997; Lindenberg and Dobel, 1999; Brown and Moore, 2001; Forman and Stoddard, 2002).

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**Paper Number:** PA051325

**Paper Title:** An Industry Fields Approach to Isomorphism Involving Australian Nonprofit Organizations

**Author(s):**

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**Summary of Research**

Isomorphism is the tendency for organizations to resemble others in their field. This tendency has been widely noted outside the nonprofit sector. A recent analysis of nonprofits organizations, however, did not find the expected similarity. This paper explores the possibility that nonprofits resemble other organizations in their industry (e.g., health care, education, social services), including for-profit and government organizations, rather than resembling other non-profits. The explanations for isomorphism within an industry are the common technology and common environment shared by organizations in the same industry, regardless of legal form. The analysis uses data on a random sample of Australian organizations.

**Description**

Isomorphism refers to similarity in structures and processes among organizations in the same field. It may arise from sources as diverse as the spread of best practices and the desire for legitimacy. Sameness among nonprofits would be of particular importance because it would suggest a failure to address the wide variety of special needs and preferences manifest in the population and because it might signal the spread of the bureaucratic model from the for-profit and government sectors, where it has become well entrenched, to the nonprofit sector, whose values are thought to center elsewhere.

Since the reintroduction of the isomorphism concept into organizational theory twenty years ago (Dimaggio and Powell, 1983) after Weber's early work (Gerth and Mills, 1946), researchers have examined both the prevalence of isomorphism (e.g., Frumkin and Galaskiewicz, 2004) and its causes (e.g., Galaskiewicz, 1985). Work on the causes of sameness among organizations has focused on isomorphism compelled by the state or other powerful organizations (i.e., coercive isomorphism), isomorphism arising from copying in the face of uncertainty or goal ambiguity (i.e., mimetic isomorphism), and isomorphism spread by professional or expert influence (i.e., normative isomorphism). While nonprofits show significant evidence of a tendency to sameness (e.g., Riiskjaer, and Nielsen, 1987), research on isomorphism per se that operates from this explicit theoretical foundation has come later to the study of nonprofit organizations.

A recent study (citation omitted during review process) finds little evidence of nonprofit isomorphism or of the coercive, mimetic, and normative processes thought to produce it. The author argues that nonprofit organizations as a group may not constitute the organizational field in which the interactions argued to produce isomorphism actually take place. Instead, he suggests that isomorphism may be found in industries in which all nonprofit organizations output the same product or service, for example, health care, social services, arts, environmental protection, or education. These nonprofits share the same "production technology" and the same environment of suppliers, clients/customers, regulators, and competitors, and hence are likely to interact significantly more than do nonprofits as a whole. This greater interaction should lead to more isomorphism. Indeed, nonprofits may share such industry fields with for-profit and/or government organizations that output the same product or service. An industry-based definition of the organization field, therefore, potentially includes organizations from all three sectors in the same field.

This paper explores the proposed industry field approach to nonprofit isomorphism. The analysis uses a random sample of 618 Australian employment organizations collected in 2001-2002. It has industry sub-samples of organizations in health care, education, and social services large enough for analysis. All three of these include substantial numbers of nonprofit organizations. Preliminary analysis suggests noteworthy isomorphism, especially in the health care industry.

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**Paper Number:** PA051326

**Paper Title:** Evaluation: Improving Programs While Meeting Accountability Demands

**Author(s):**

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**Summary of Research**

Nonprofits may overlook program evaluation's potential do more than demonstrate accountability. Evaluation findings can improve program effectiveness and increase organizational learning. This paper examines the evaluation practices of North Carolina Smart Start, 82 county-based partnerships, created to provide at-risk children with quality pre-school education. Each partnership is required to conduct evaluations to demonstrate accountability and to identify effective practices. I identify how the partnerships carry out this mandate, and the factors associated with using evaluation findings for program improvement. The findings should be generalizable to other initiatives that seek to take advantage of learning by local service providers.

**Description**

This paper investigates factors thought to enhance the utilization of program evaluation findings. In the current funding environment nonprofit organizations are called on to show greater levels of accountability, specifically to grantors. Evaluation allows grantors to measure what their grantees accomplish and decide if the return on investment was worthwhile (Easterling, 2000). Nevertheless, employing evaluation specifically to meet accountability requirements may limit its value (Ebrahim, 2005). The promise of evaluation lies in furthering organizational development and learning, but power implied in the grantor-grantee relationship may impede organizational learning. The challenge to a nonprofit is to balance external demands with the desire for internal improvement and to devise evaluation strategies that meet both goals.

□ To see if and how nonprofits implement evaluations to meet accountability requirements and to facilitate organizational learning this paper examines the North Carolina Smart Start Initiative, 82 county-based partnerships created to provide quality pre-school education to at-risk children. Each county-level nonprofit partnership allocates state funds and is responsible for service delivery. Oversight and technical assistance are provided by the North Carolina Partnership for Children, a state-wide nonprofit that stresses the use of evaluation. The Frank Porter Graham Child Development Institute of the University of North Carolina at Chapel Hill supervises the evaluations.

□ The paper measures the evaluation capacity, professionalism of evaluation staff, and dissemination and implementation strategies of the county level nonprofits. It is hypothesized that these factors will influence what information is produced and how a nonprofit organization uses the information. Mark, Henry, & Julnes (2000) propose four purposes for evaluation, each necessitating the collection of different data. A nonprofits view of the purpose of evaluation will determine what information is collected and affect evaluation design. The North Carolina Smart Start Initiative offers an opportunity to investigate the evaluation process in a number of nonprofits that differ in size, structure, and capacity; but share the same goals.

□ The paper will build on the qualitative work of Alnoor Ebrahim who investigates the role that evaluation and information play in influencing nonprofit behavior. It will add to the current literature by quantifying and linking the variables believed to affect evaluation design and use. If evaluation results are to be used to make organizational decisions the information produced must be relevant. If the evaluation information is not seen as relevant the nonprofit may design evaluations that ignore or conceal potential weaknesses or limit its report to factors that will not affect its internal procedures (Cherin & Meezan, 1998; Ebrahim, 2002). Therefore if evaluation is to reach its full potential as a tool of organizational learning as well as a means for accountability an understanding of the factors involved in shaping the process that leads to the acquisition of information is critical. This paper seeks to take a step in that direction.

**Paper Number:** PA051327

**Paper Title:** Social Capital and Public Policy: Role of Nonprofits

**Author(s):**

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### **Summary of Research**

This paper aims to grasp how social capital can be applied to public policy and what role nonprofits can play in creating social capital in practice. Comparative study is conducted on the policy applications of social capital in 7 countries including Ireland, Japan, the U.K. and the U.S. through interviews, participatory observation and literature review. Major findings are that social capital can be applied to a wide range of policies including the promotion of active citizenship and community development and nonprofits can play a vital role for formulating and implementing social capital related policies.

### **Description**

This paper aims to grasp how social capital can be applied to public policy and what role nonprofits can play in creating social capital in practice. There has been a wide debate on the definition and measurement of social capital over the years. Recognition toward the definition and outcome of social capital is different among different countries and ministries, however, common recognition is that social capital is important to policy related outcomes and society (Harper 2001). But how social capital can actually be applied to public policy? In this study, I address four questions: How are the policy applications of social capital different among different countries and what are the common practices? To what degree and how have these policies been developed and implemented? How and what role nonprofits do and can play in policy applications of social capital and in practice? What are the challenges and prospects for applying social capital in public policy?

Social capital such as trust, social networks and norms of reciprocity that facilitate coordinated action are considered to have effects on policy related outcomes such as economic development, education, health, crime reduction and civic participation (Harper 2001, Putnam 2000). Putnam (2002) reviewed trends of social capital in several countries. OECD has worked on social capital measurement for international comparison (Healy 2002). Several studies have proposed policy implications of social capital from the context of their respective countries (Putnam 2000, Aldridge and Halpern 2002, Halpern 2005, Healy 2005, the National Economic and Social Forum 2003). However, literature has not compared policy implications of social capital at different countries. Therefore, I paid attention to the comparison of different countries for the purpose of identifying lessons applicable to various policy arenas in applying the concept of social capital.

A comparative study was conducted on the policy applications of social capital in 7 countries: Australia, Canada, Ireland, Japan, New Zealand, the United Kingdom and the United States. These countries were selected based on the development stages of policy applications as well as geographical balance. Interviews, participatory observation and/or literature review were conducted for each country. Interviews were conducted in OECD, Ireland and the U.K. as a part of the Study on Social Capital by the Cabinet Office, Government of Japan in 2005. Participatory observation was conducted at local government and the Cabinet Office in Japan. Country papers at OECD international conference on social capital and OECD World Forum on Major Indicators as well as various government and policy documents and surveys were reviewed. Also, I took up Japan as a case study to examine the process how social capital has been applied to public policy. I introduce the results of the Cabinet Office Survey on Social Capital and Community Renewal conducted in 2005 and compare it with the previous social capital survey in 2003.

Major findings are that social capital can be applied to a wide range of policies and that nonprofits can play a vital role for formulating and implementing social capital related policies. Social capital can be effectively utilized as a backbone to promote various and broad policy areas including but not limited to

social inclusion, active citizenship, education, environment, conflict, development, crime, gender, urban planning, ICT and the promotion of volunteering and nonprofits, arts, culture and sports. In Japan, social capital is used as an engine to promote civic participation, volunteering, partnership and community renewal. In promoting social capital, balance of top-down and bottom-up approach is critical, and nonprofits can play a vital role for initiating the bottom-up approach. Nonprofits have a crucial role to create social capital in community and influence on public policy formulation and development. Infrastructure organizations can advocate and facilitate for nonprofits to recognize their critical role and to build capacity for formulating and implementing social capital related policy.

Some challenges and prospects are also proposed: Government should take a comprehensive, cross-departmental and collaborative approach, and "no harm" policy is also crucial. Moreover, cultural and social contexts should be taken into consideration, and initiatives at local and community level, and thus, the role of nonprofits and local government should be highlighted.

This study has identified the similarities and differences, practices and challenges in policy applications of social capital through the first comparative study of 7 countries. This will be useful to apply the research of social capital into real policy and practice. Social capital is no more just a theoretical concept, but now at the stage of being applied to public policy and practice for their virtuous circle and synergy.

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**Paper Number:** PA051330

**Paper Title:** Explaining Descriptive Representation in Place-Based Associations: the Impact of Formalistic Representation and Community Contexts

**Author(s):**

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### **Summary of Research**

This study questions the descriptive representation of neighborhood associations to evaluate its role in enhancing democratic legitimacy of the policy process. Descriptive representation refers to the demographic similarity between the representatives and the constituencies (Pitkin, 1967, 1969). This research questions the impact of governance structures and community characteristics on the level of descriptive representation of neighborhood councils in the City of Los Angeles. This study will contribute towards our understanding of current participatory mechanism that focuses on increasing citizen participation at the neighborhood level and whether it will enhance political equality through enhanced incorporation of new voices throughout the City.

### **Description**

Problem or issue to be addressed:

This study questions the descriptive representation of neighborhood associations in order to evaluate its role in enhancing democratic legitimacy of the policy process. Descriptive or formal representation refers to the demographic similarity between the representatives and the constituencies (Pitkin, 1967, 1969). It seems that there is no consensus on the normative argument regarding the impact of the quality of descriptive representation on political equality or on democratic legitimacy. The descriptive representation of place-based community associations is of interest follows Phillips' (1995a) notion on "politics of presence". She pointed out that deliberation or deliberative democratic society "depends in turn on some guarantee of political presence, for if certain groups have been permanently excluded, the process of deliberation cannot even begin" (p. 151). Thus, through the actual investigation of descriptive representation of neighborhood associations, one can indirectly evaluate the potential quality or outcome of deliberation. Furthermore, a few have raised the question of the democratic legitimacy of "neighborhood-representing" associations (Bolduc, 1980; Cnaan, 1991).

The specific question is what factors have impact on the level of descriptive representation of the neighborhood associations? In this study we are interested in two factors, first is the formal governance structure, mainly the bylaws of each neighborhood councils. Second this study also considers the impact of neighborhood characteristics on the level of descriptive representation achieved in each neighborhood associations.

State of knowledge in the field:

There has been a normative tension as to the role of descriptive representation in the political process. In her seminal study, Pitkin defines descriptive representation as to "circumstances in which a citizen shares ascriptive characteristics such as race, ethnicity, gender, and so forth with his or her representative" (Pitkin, 1967, as cited in Pantoja & Segura, 2003, p.443). Pitkin linguistically differentiated four types of representation and argues that it is not "who" represents but "what" is being represented is more crucial. In this line of argument, there have been objections to this notion of improving descriptive representation among group theorists. The normative argument against it is that "giving additional weight to characteristics such as gender or ethnicity could over-politicize group difference, thereby disrupting social cohesion or political stability" (Phillips, 1995b, p.167).

Phillips (1995b) argues for the enhanced descriptive representation which the core concept of the politics of presence. Its requirements are exemplified as: "the demands for the equal representation of women with men; demands for a more even-handed balance between the different ethnic groups that make up each society; demands for the political inclusion of groups that have come to see themselves



as marginalized or silenced or excluded” (p.5). Mansbridge (1999) also suggests qualifications for the need of enhanced descriptive representation in certain cases, such as, in the context where there is the existence of distrust and unformulated interests. Ultimately, Phillips questions the adequacy of “the separation between ‘who’ and ‘what’ is to be represented, and the subordination of the first to the second” (p. 5). She points out the link between descriptive representation and the quality of deliberation by arguing that, “the politics of presence is not about locking people into pre-given, essentialized identities; nor is it just a new way of defining the interest groups that should jostle for attention. The point, rather, is to enable those now excluded from politics to engage more directly in political debates and political decision” (Phillips, 1995b, p.167).

These normative tensions for and against “the politics of presence” is also an untested empirical question regarding the link between descriptive representation and policy outcomes. Previous empirical questions studied gender gaps and race/ethnic gaps in descriptive representation. For instance, based on political empowerment theory, Pantoja and Segura (2003) studied the political alienation of Latinos with relation to descriptive representation in the state assembly, state senate, and U.S. House. Their empirical findings provide modest support for this notion of “the politics of presence.”

Grounded on these previous studies on descriptive representation, this study focuses on a different empirical question regarding descriptive representation. The interest of this study lies in identifying factors that might foster higher level of descriptive representation in neighborhood-representing associations. This question is grounded on the normative assumption that higher level of descriptive representation is not the main determinants of democratic legitimacy but it is a very desirable aspect especially in place-based associations. Based on this empirical analysis of the differences in descriptive representation of neighborhood councils, we will be able to question its relation to issue congruence and ultimately the quality of deliberation process.

Few empirical studies so far dealt with factors that influence descriptive representation. For instance, on the one hand, Gay (2002) studied the impact of race/ethnicity on the descriptive representation comparing between white and black perceptions. On the other hand, Rosenthal (1995) studied the gender gap and the affective preference towards representatives which she found support that female tends to be conscious about the gender of the candidate. However in our case unlike the previous studies that is at the individual level perception, our unit of analysis will be at the neighborhood level as same as the first research question on neighborhood council formation.

#### Empirical Approach:

This research focuses on the Neighborhood Council (NC) system of City of Los Angeles. The unit of analysis is Neighborhood Council and in the statistical analyses will be conducted at Neighborhood Council level. Neighborhood Council boundaries reflect a self-organizing process in which community activists identified communities of interest, and mobilized local stakeholders to designate and negotiate boundaries based on physical features (freeways; natural landmarks), historical sense of place, and other community features. The NC by-laws were also created at the community level, subject to City requirements (outreach to stakeholders; inclusiveness; compliance with open meeting act and conflict of interest requirements). While this self-organizing process has taken several years to produce a citywide city; approximately 84 percent of the city’s population is contained within neighborhood council boundaries as of October 2004.

Most of these neighborhood councils have held elections to create governing boards. The NCs have an average board size of 20, and represent residential populations that average around 40,000. While NCs have purely advisory powers, the City provides several avenues for participation in city governance. The focus of the current study is the impact of governing structures and community characteristics to the level of descriptive representation of each neighborhood councils. The level of descriptive representation will be measured in terms of race/ethnicity and socio-economic status (SES) characteristics.

Three sources of data are required for this question. First is NC board member data and Neighborhood Participation Project's (SPPD at USC) NC Board member survey of 2003 will be used. Second, the stakeholder or constituency that the NC board member represents will be from Census 2000. Lastly, NC governance structure will be analyzed in terms of content analysis of NC by-laws.

Contribution to the field:

The proposed activity will inform understanding of the democratic legitimacy of the neighborhood council system in Los Angeles. Based on the normative assumption of Phillips (1995) and Mansbridge (1999), the importance of descriptive representation of neighborhood associations should be considered. This would be also critical for a participatory innovation that was created for incorporating new "voice" to enhance political equality in the policy process. The policy implication would be that this research will help researchers and public officials understand whether neighborhood-based representation enhances political equality or whether it "reproduces" (Dear & Wolch, 1989) the current participatory biases that privilege middle-class, educated individuals.

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**Paper Number:** PA051331

**Paper Title:** Web vs. Mail: An Experiment in Survey Design with American Cancer Society Volunteers

**Author(s):**

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**Summary of Research**

The American Cancer Society conducted an experiment in 2005 to test the viability of a Web (vs. U.S. mail) design for its Volunteer Satisfaction Study. This experiment set out to determine: the rate at which volunteers would respond to a Web survey; the rate at which sub-groups would respond; the completeness of volunteers' responses; and, the degree to which item responses vary as a result of Web vs. U.S. mail completion. This paper discusses response and response rate differences across and within groups, as well as the importance of providing volunteers with alternative survey modes in an online research design.

**Description**

Web vs. Snail Mail: An Experiment in Survey Design with American Cancer Society Volunteers

The American Cancer Society ("ACS"), the largest voluntary, community-based health nonprofit organization in the U.S., has conducted the Volunteer Satisfaction Study since 1999. The principal objectives of this study are to provide: an in-depth, detailed measure of volunteer satisfaction at the community level; actionable results for the ACS divisions as well as the National Home Office; and, a mechanism by which ACS can track or monitor volunteer satisfaction over time.

Since its inception, the Volunteer Satisfaction Study has been conducted as an anonymous self-administered mail survey among a random selection of "active" volunteers. The basic research design includes three primary contacts via the U.S. mail – a preliminary letter, a four-page survey questionnaire, and a reminder postcard. When considering design modes in 1998, the U.S. mail was deemed preferable to either telephone or face-to-face due to the nature of the questions (particularly the length of the importance and performance questions) as well as cost.

Within the last few years, however, there has been an upsurge of interest in the potential of an alternative research vehicle – the Web. As the general population becomes more and more comfortable performing a variety of functions on the Web, this electronic mode has become increasingly popular among survey researchers. Indeed, researchers have become enamored with the relative flexibility of questionnaire construction, speed, and low costs associated with Web designs. While higher response rates among specific audiences may also be a benefit to a Web-based design, much of the literature indicates that rate of response is actually lower via the Web vs. a paper survey.<sup>1,2,3</sup>

In view of the Web's popularity (satisfying some volunteers' preference for a Web-based approach), as well as its advantages from an execution standpoint, ACS conducted an experiment to test the viability of a Web design for the Volunteer Satisfaction Study. More specifically, this experiment set out to determine: the rate at which volunteers would respond to a Web survey; the rate at which sub-groups within the volunteer population would respond; the completeness of volunteers' responses (i.e., the extent of item non-response); and, the degree to which behaviors and opinions measured by this study are the same or different as a result of Web vs. U.S. mail ("snail mail") completion.

This experiment was implemented in early 2005 with a random selection of 4000 active ACS volunteers dispersed between three sample groups – the Control Group, the Online Option Group, and the Online Only Group. The Control Group received the traditional execution of the study, the Online Option Group was identical to the Control Group except the survey cover letter and questionnaire included a

URL and unique password giving volunteers the option of conducting the study via the Web, and the Online Only Group received a preliminary notice, survey invitation (with a link to the URL and unique password), and a follow-up reminder – all by way of email (vs. snail mail). A follow-up telephone interview was conducted among a portion of the non-respondents in the Online Option and Online Only groups in order to measure nonresponse and attempt conversions.

The overall response rate was 31%, with 1249 of the total sample of 4000 submitting questionnaires by the cut-off date. Within this overall return, 43% were from the Online Only Group, 30% from the Online Option Group, and 27% from the Control Group. These figures, however, mask the response activity within each test group, which is at the center of this experimental work. Looking within groups, the Online Option Group received the highest rate of response but this was achieved only after the follow-up telephone interview (which resulted in conversions). Prior to the phone interview this group actually registered a significantly lower response compared to the Control Group. Furthermore, nearly 80% of the returns from the Online Option Group were via paper (not online). This is considered with the additional fact that the Online Only Group produced the lowest within-group response rate of 27%, providing further evidence that snail mail, not the Web, is the preferred mode of the Volunteer Satisfaction Study. This paper discusses the consistency of these results with the current literature.

Above and beyond mode preference based on rate of return, this study examined the respondents within the three experimental groups. Our analyses indicate that younger, Caucasian volunteers responded online while a greater showing of volunteers representing racial and ethnic diversity and those residing in rural communities was found among those returning paper completions.

Our results also show that survey mode has an impact on the types of volunteers (in terms of volunteer activity) who respond. Response from income development volunteers was higher online than via snail mail, while a higher incidence of cancer control volunteers was obtained via paper.

Additional analyses with respect to volunteers' responses to questionnaire items are currently underway. This paper will discuss these results and the implications of obtaining behavioral and attitudinal measures via the Web vs. snail mail.

This paper discusses likely reasons for response differences both across and within groups (e.g., the relationship between age and Internet use) and the importance (at this time) of providing volunteers with alternative survey modes in an online research design. This paper also argues for a traditional snail mail survey when only a single-mode design is practicable.

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**Paper Number:** PA051336

**Paper Title:** Dual Leadership in Nonprofit Organizations and its Implications for Board Governance

**Author(s):**

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**Summary of Research**

Traditionally theorists consider leadership to be a single individual since better command and control is possible. Recently, a nascent interest in multiple structures of leadership has emerged in this literature. A version of multiple leadership finds dual leaders mandated (not self chosen) and the division of labour institutionalized. In an ongoing case study analysis of eight nonprofit arts organizations, the implications of this structure for balanced governance are explored. The paper argues that the checks and balances inherent in a well-matched duo provides mutual monitoring and enables governance. Implications for nonprofit leadership theory and hiring by Boards are discussed.

**Description**

Traditionally, theorists consider leadership as a single individual. The prevailing assumption is that better command and control is possible in an organization under one authority (Fayol, 1949; Locke, 2003; Weber, 1924/1947). A single individual also appears to be the focus of literature on Board-centred leadership in the nonprofit field (Heimovics & Herman, 1989; Heimovics, Herman, & Jukiewicz, 1995; Heimovics, Herman, & Jurkiewicz, 1993; Herman & Heimovics, 1990, 1991).

Recently shared, co-, and collaborative leadership has been a growing topic of interest in both the theoretical and practitioner leadership literature (Gronn, 2002; Heenan & Bennis, 1999; Pearce & Conger, 2003). Benefits of this phenomenon include improved creativity in groups (Pearce et al., 2003), more effective executive leadership (Heenan et al., 1999), and improved teaching quality in educational organizations (Gronn, 2002). The essential qualities of these multiple leadership structures are emergent and self-chosen (Day, Gronn, & Salas, 2004).

However, there exist leadership structures where the individuals are mandated in their roles (i.e. not self chosen) and the division of labour has been institutionalized over time. These multiple leadership structures may involve problems of conflict and authority. A dual leadership structure exists in a number of sectors in the nonprofit field including hospitals (CEO and Chief of Staff), arts organizations (Executive Director and Artistic/Music Director), and some larger faith based organizations. An ongoing analysis of eight case studies that explores the leadership structure of nonprofit arts organizations has been conceptualizing the dynamics of dual leadership and its implications for organizational effectiveness.

Additional research questions have emerged from the data in this study concerning organizational effectiveness. Is the dual leadership structure helpful or a hindrance to governance for Boards of Directors? Using agency theory, we argue that this structure enables a more effective Board governance function, assuming that the appropriate partners are chosen in the leadership roles. The traditional agency problem of monitoring is very demanding in nonprofit organizations because of the ambiguity and subjectivity that is involved when qualitative outcomes are evaluated (Jensen & Meckling, 1976).

The dual leadership that divides the administrative and the professional functions can ensure that the evaluation of plans and ongoing operations is vetted through the check and balance of different functional and professional perspectives. The professional partnership at the top end of the organization monitors within itself and, hence, guides the volunteer Board in the planning and monitoring of operations.

This paper contributes to the topic of distributed leadership as well as leadership theory in the nonprofit

field. As well, it will bring new perspectives on leadership structures that may aid effective governance. On the practical front, it provides useful insights for the implications on governance with appropriate hiring of the leadership duo.

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**Paper Number:** PA051339

**Paper Title:** The Philanthropic Giving Index: A Barometer of the Climate for Philanthropy

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**Summary of Research**

The Philanthropic Giving Index (PGI) is a semiannual study of the climate for philanthropic giving and fundraising. Initiated in Summer 1998, it is similar to a Consumer Confidence Index for charitable giving. In this survey we ask a panel of fundraising experts to gauge the conditions for raising funds in the US and the success of various methods of fundraising. In this paper we briefly describe the survey and summarize results from the first 15 rounds of the PGI. We demonstrate the validity of the measure, and describe potential uses for the PGI for fundraising practitioners and other researchers.

**Description**

The Philanthropic Giving Index (PGI) is a semiannual study of the climate for philanthropic giving and fundraising in the United States. The PGI was initiated in Summer 1998 and has been fielded 15 times. In this survey we ask a panel of fundraising experts to gauge the conditions for raising funds in the US and to indicate the current and future success of various methods of fundraising. In this way it is similar to a Consumer Confidence Index for charitable giving. We analyze our data across time and draw comparisons by nonprofit subsector, annual revenue, and geographic donor base. Our panel of experts is comprised of front-line development professionals whose direct experience provides an early and timely indicator of the climate for giving across the country.

There are several other principal sources of information on the level and composition of donations across the U.S.; however, each involves at least a year of lag time. For example, the AAFRC Trust for Philanthropy annually publishes Giving USA, which provides an estimate of total giving in the U.S. six months after the end of the previous calendar year. These statistics must be revised twice over the next two years because data required for firm estimates are not available from government agencies and other research institutions until two years after the year in question.

Another source in the past has been the periodic survey of individual donors conducted by Independent Sector, published as Giving and Volunteering in the U.S. The Center on Philanthropy recently began a similar national survey, the Center on Philanthropy Panel Study. This source provides detailed data on donor characteristics and household giving practices, but does not attempt to uncover the success of fundraising strategies, and is only conducted once every two years.

The Nonprofit Almanac is published jointly by Independent Sector and the National Center for Charitable Statistics using data from IRS Form 990s filed by nonprofit organizations, as well as other government statistics. This retrospective measure is available only with a delay of several years and does not attribute donations to solicitation strategies. Finally, the Foundation Center annually publishes the Foundation Yearbook, which provides an estimate of foundation giving in the previous year. Similar to Giving USA, the statistics provided in the Foundation Yearbook involve at least two years of lag time before final estimates are released.

In contrast, the Philanthropic Giving Index provides an ongoing, up-to-date picture of the climate for philanthropy in the US. The methodology for the PGI was presented in detail in Keirouz, Grimm, & Steinberg (1998). In the current paper we briefly describe the survey and summarize results from the first 15 rounds of the PGI. The main outcome variables from the survey include:

• Philanthropic Giving Index (PGI)—an overall indicator of the climate for philanthropy in the



US (scale of 0 to 100);  
• Present Situation Index (PSI)—an indicator of the climate for fundraising at the time of the survey (scale of 0 to 100);  
• Expectations Index (EI)—an indicator of expectations for the philanthropic climate in the next six months (scale of 0 to 100);  
• Success ratings for 9 different fundraising techniques at the time of the survey (5-point Likert-type indicators)  
• Success ratings for expectations for 9 different fundraising techniques in the next six months (5-point Likert-type indicators)  
• Percent annual revenue ratings (6 categories, 0% to 100%) for 9 different fundraising techniques (new in Summer 2005 wave)  
• Ratings on topical issues (impact of economy on fundraising, “crowding out” by political contributions, “crowding out” by 9/11 fundraising)—(usually 5-point Likert-type indicators)

In every wave of the semi-annual survey we analyze each of these variables for the total panel of respondents and also make comparisons by organization subsector, annual revenue size, and geographical donor base. Analyses include crosstabs and one-way ANOVAs to compare mean scores for different groupings. In this paper we summarize these results across the first 15 waves of the survey. We describe patterns across time in the main indicators (PGI, PSI, and EI) and success ratings of different fundraising techniques. For example, we present a graph of the PGI, PSI, and EI across time, showing the impact of the 9/11 terrorist attacks and other events.

In addition, we compare the results from the PGI with economic and other data to demonstrate the validity of the measure. For example, we compare percent changes in the main indicators to percent changes in the Consumer Confidence Index (CCI), Disposable Personal Income (DPI), Gross Domestic Product (GDP), and S&P 500, as well as results from Giving USA across time. We show that the PGI correlates well with the CCI and Giving USA, but less well with the DPI, GDP and S&P500. Finally, we describe potential uses for the PGI for fundraisers as well as other researchers.

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**Paper Number:** PA051341

**Paper Title:** Scan of Non-Profit Organizations Engaged in Public Policy

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**Summary of Research**

Knowledge concerning capacities, assets and needs in the third sector can be developed in multiple ways. Scans and inventories can constitute a useful starting point. They can create useful tools for third sector use, can highlight areas of duplication or convergence with potential for collaboration or amalgamation, or can identify significant gaps that need to be filled. This paper describes a scanning process underway in Canada to develop an inventory of policy activity within the third sector in Canada.

**Description**

Scans and Inventories as a Base for Knowledge Development  
(Abstract) March 2005

Recently, third-sector organizations, acting alone or in collaboration with others, have undertaken scans and developed inventories or maps to capture the current state of affairs in particular areas of competence or capacity. Such scanning has been undertaken for a number of different purposes, from creating a useful tool for third sector use, to highlighting areas of duplication or convergence with potential for collaboration or amalgamations, to identifying gaps that could then be addressed.

Scans can use a range of data-collection methods, from surveys to opinion-leader interviews to viral e-mail messages. The collection of data can rely on identification according to certain strict criteria or on self-selection, or can be open-ended and designed to reach as many respondents as possible.

This paper focuses on a particular scan being undertaken to create an inventory policy activity across the Third Sector in Canada.

The knowledge and understanding of the Canadian Third Sector has been growing significantly in recent years, and along with it, improvements in sector capacities. With the help of the Voluntary Sector Initiative, there have been major developments in documenting and strengthening information about the size and scope of the sector and about the patterns and trends in giving and volunteering and about the revenue and financial strengths and weaknesses of the sector. Knowledge about the human [Knowledge created or information collected?] resources of the sector is finally being collected and tools and supports being put in place to assist the management of those human resources. Similar efforts are underway with respect to management and efficiency initiatives and the communications and information technologies within the sector. One remaining area which has not been documented is that of policy capacity.

Insofar as policy input and voice constitute one of the main roles and values of the non-profit sector, policy capacity is a critical dimension. However there is little known about the extent of policy capacity across the sector, and as a consequence, little guidance on where and how it can be strengthened.

To begin to strengthen this critical area, an inventory is being developed to start identifying organizations currently engaged in policy work. This inventory will list organizations for which policy work is a substantial and on-going part of their activities. It will identify what fields or issues they work on and will attempt to identify also which kind(s) of policy work they do (identifying issues and raising

awareness; developing policies; or advocacy and mobilization).

This inventory will serve two principal purposes. First, it will be useful to sector organizations looking to connect with policy-oriented groups in their field or looking for pre-existing policy materials to support their work. Organizations already engaged in policy work would be better able to identify others in the same regions or involved on the same issues. A secondary purpose will be to identify gaps or areas with relatively little policy work which could be the focus of particular efforts to build or create policy capacity.

The inventory is being developed using a survey circulated widely through the sector via national umbrella groups and through umbrella groups in several selected large urban centers. This will be supplemented and tested through conversations with those in the policy fields at all levels. □

The paper will outline the methodology and how it was adapted to the intended purposes of the scan. It will present the findings and how this may constitute a base for further actions within the sector as a whole and in particular subsectors and geographic groupings.

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**Paper Number:** PA051343

**Paper Title:** It's Not All in The Ask: Effects and Effectiveness of Recruitment Strategies Used by Nonprofits in The Netherlands

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### **Summary of Research**

Two thirds of all volunteers have been recruited by someone else. Ninety five percent of all donations are made in response to solicitations. Using data from the Giving in the Netherlands Panel Survey, this paper studies the effectiveness of the activities of nonprofits in recruiting new volunteers and soliciting donations. I find that nonprofits mainly target new donors and volunteers that are more accessible, but not necessarily those who are more willing or more able to contribute. Thus, recruitment strategies are rather ineffective and cannot explain why those who are more resourceful are more likely to give and volunteer.

### **Description**

This paper asks why giving and volunteering are unequally distributed over socio-economic groups. Ever since the first empirical studies of giving and volunteering, we have known that those who are better off in life in terms of education, wealth, and income give and volunteer more. But why would that be so? Usually, the effects of resources are explained from the perspective of the donor or the volunteer. Individual donors and volunteers who have more financial, human and social capital at their disposal face lower costs and higher benefits when they are considering whether or not to volunteer or to donate money, and if so, how much (Wilson, 2000). I call this the resource hypothesis. However, one could also argue that the actors who are responsible for the effects of resources are not the individual donors and volunteers, but nonprofits who are 'prospecting for participants' (Brady, Schlozman & Verba, 1999). In a large majority of all cases where people give time or money, a recruitment attempt precedes the donation or the volunteering episode. In the Netherlands, where the present study was conducted, two thirds of all volunteers report that someone else recruited them (Bekkers, 2002). Solicitations precede ninety five percent of all donations. For nonprofits, it would be a rational strategy to solicit donations from donors who are better off in terms of wealth and income. Likewise, more highly educated volunteers are more likely to possess the skills and social networks that are valuable for a nonprofit. Thus, one would expect that nonprofits target more resourceful donors and volunteers. One would also expect that rational behavior by nonprofits prospecting for participants is the reason why more resourceful individuals give and volunteer more. I call this the selective mobilization hypothesis. Henry Brady, Sidney Verba and Kay Lehman Schlozman have shown that the elevated support for political parties among higher educated and higher income families in the US is partly due to selective mobilization strategies used by political parties.

Using data from the first two waves of the Giving in the Netherlands Panel Survey (completed in 2002 and 2004, total n=1,316; Schuyt, 2003) I reject the selective mobilization hypothesis. I find strong evidence that effects of financial, human, and social capital persist when differences in recruitment attempts and solicitations are taken into account. I find that nonprofits do not target those who are more resourceful, but those who are more accessible for recruitment networks that are available to nonprofits. Door-to-door collections reach those with a stronger attachment to the local community, but not necessarily those with more resources.

The data also show that recruitment attempts and solicitation methods differ strongly in their effectiveness. This part of the paper is interesting for practitioners in fundraising and volunteer management. I find that attempts to recruit new volunteers made by individuals with weaker ties to the prospect are less effective. Recruitment attempts by volunteers who are more strongly committed to the organization are more effective. Attempts targeted at individuals who are members of the organization are more effective. The design of the Giving in the Netherlands Panel Survey allows for a study of the longitudinal effects of recruitment methods. I find that volunteers who are recruited by persons with

whom they have a stronger relationship are less likely to quit volunteering. For donations, I find that personal solicitations are much more effective than impersonal solicitations. Thus, the data support the old wisdom 'people give to people, not causes'.

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**Paper Number:** PA051344

**Paper Title:** Learning Charity Begins At Home: Long Term Effects of Youth Participation on Giving and Volunteering in Adulthood

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### **Summary of Research**

Strongly committed donors and volunteers more often remember their parents as active volunteers than those less committed. Using data from the Giving in the Netherlands Panel Survey, I investigate how parental volunteering affects giving and volunteering of adult children. I find that children of parents who volunteered grow up to become more generous donors and active volunteers for three reasons (mentioned in decreasing order of importance): (1) active parents have their children participate in youth organizations; (2) active parents pass on a set of characteristics that make children volunteer; (3) parents teach prosocial values by setting the right example.

### **Description**

It is widely believed that a strong commitment to the welfare of others is passed on from parents to children. Independent Sector (2002) also reports that large donors and active volunteers more often remember their parents as active volunteers than less committed donors and (non)volunteers. However, the true effect of parental modeling on their children's philanthropy may be smaller than simple crosstabulations suggest because parents do not only pass on their attitude towards philanthropy to their children, but also other characteristics that make their children volunteer. Higher educated parents have (on average) higher educated children, and because a higher level of education leads to volunteering, the apparent relationship between parental and children's volunteering may be spurious. One of the few previous studies investigating the true causal effect of parental modelling shows that in fact a large part of the apparent effect of the parental example is spurious (Bekkers, 2004). However, even controlling for the intergenerational transmission of personality characteristics, level of education, social status, income, wealth, and religious involvement, there still is an effect of parental volunteering in childhood on children's volunteering in adulthood. In the present paper, I investigate (1) to what extent parental volunteering also leads to greater generosity towards charities and other nonprofits among their children; (2) how the effect of parental volunteering on children's giving and volunteering can be explained.

From psychological theories on learning (Bandura, 1977), it makes sense to expect that parental volunteering leads children to adopt a socially responsible attitude towards others and towards society in general, which may translate into charitable giving as well as volunteering. Thus, I expect that parental volunteering affects children's giving and volunteering because the parental example transforms children's social values in a more socially responsible direction. I call this the modelling social values hypothesis.

From theories on socialization in sociology and political science (Hooghe, 2003), it makes sense to expect that parents send their children off to participate in voluntary associations in their youth, expecting that the experience of participation will change their children's values in a socially responsible direction. Thus, parents affect their children's giving and volunteering through social values acquired by youth participation. I call this the youth participation hypothesis.

Another explanation focuses on the role of social networks. By sending children to youth clubs like soccer teams, boy scouts and nature preservation societies, parents do not only change their children's attitudes, but also their social networks. Children who have participated in voluntary organizations develop a network of friends that are closer to the 'civic core' (Reed & Selbee, 2002). Such friendships often persist into adulthood. Proximity to active citizens makes people more accessible for mobilization networks (Brady, Schlozman & Verba, 1999). Thus, parents affect their children's giving and volunteering through social networks acquired by youth participation. I call this the social networks hypothesis.

I test these three competing hypotheses using data from the first wave of the Giving in the Netherlands Panel Survey, where 1,964 respondents reported on their parents' volunteering behavior when they

were young, after they reported on their own giving and volunteering behavior in the previous year (2001). They also reported on a wide range of socio-demographic characteristics, social values and attitudes towards philanthropy. I find that children of parents who volunteered grow up to become not only as more active volunteers, but also as more generous donors, even when a wide range of potential confounding effects are controlled. I find little support for the modelling social values hypothesis. I do find good support for the social networks hypothesis and the youth participation hypothesis. Parents who volunteer have their children participate in youth organizations, where they develop networks that consist of a larger number of active citizens and adopt prosocial values.

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**Paper Number:** PA051345

**Paper Title:** Intermediary Organizations: Organizational Innovation and The Coordination of Practices

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**Summary of Research**

Intermediary organizations are often called upon by both private entities such as foundations, and public governmental agencies to aid in the translation or management of multi-tiered social programs. We examine the role of intermediary organizations in problems of inter-sectoral coordination through two distinct political projects, low-income housing and faith-based social services. The juxtaposition of well-established intermediaries in housing development with a recently established intermediary program funded through the Compassion Capital Fund, exposes the workings of intermediary organizations which call into question assumptions about the rigidity of market, state, and third sector boundaries and flesh out new methods of governance.

**Description**

In this paper we examine an organizational form, the intermediary organization. This form is important for three reasons. First, it is an organizational form that has gained increasing prominence over the last twenty years and therefore warrants examination. Second, beyond the specific roles these organizations play, this organizational form is important because of the light it sheds on the increasing prevalence of decentralized organizations with flat hierarchies and problems of coordination in particular in addition to the light it sheds on organizations in general. Third, the development of these organizations have been central to the changing characteristics of the nonprofit sector. It is necessary to be cautious here. Intermediary organizations are not simply phenomena of the nonprofit sector. They are deployed to solve practical coordination problems by the for-profit and state sectors as well, particularly as these sectors intersect with nonprofit fields. However, intermediary organizations have been central to changes in many nonprofit fields in and of themselves.

There is some confusion about what an intermediary organization actually is. Many scholars of nonprofits or development have noted the increasing role of what they refer to variously as intermediary organizations, support organizations, or meta-organizations. For these scholars such organizations provide a number of functions including disseminating information, advocacy, technical support, and 'sector-bridging'. This understanding builds upon the common-sensical use of the term by practitioners in which 'intermediary organization' designates organizations that work with organizations rather than individuals and that are not for-profit or state organizations (Liou and Stroh 1998; Brown and Kalegaonkar 2002). While there are taxonomic and interpretive advantages to being attentive to this common-sensical use of the term, we feel that it actually clouds analysis because of its lack of precision. If we look at the issue through the problem of coordinating practices among organizations, the innovation and utility of intermediary organizations becomes apparent. This is not to say the other activities that intermediaries engage in are not important. Rather, it is to say that some of the other functions are either less relevant to the sociology of organizations and/or are activities engaged in by a host of organizations such that the analytical use of the term declines.

□ Intermediary organizations are often called upon by both private entities such as foundations, and public governmental agencies to aid in the translation or management of multi-tiered social programs. We examine the role of intermediary organizations in problems of inter-sectoral coordination through two distinct political projects, low-income housing and the faith-based social services sector. The project considers well-established intermediaries in the housing development sector that mediate between the Housing and Urban Development (HUD) agency, Community Development Corporations (CDCs) and private financiers, such as Fannie Mae. We also examine an emerging policy sector with a more recent group of intermediaries funded by the Compassion Capital Fund, created by the Bush



Administration's Office of Faith-Based and Community Initiatives to increase the capacity of small religious organizations.

□ In the most abstract terms, the increasing prominence of such organizations is part of a broad shift in the structures of governance and economic endeavor from multi-faceted hierarchical organizations to flatter, decentralized organizations with more unity of purpose. While often touted with respect to corporate structure, this shift has been most prominent in structures of governance. In the nonprofits literature and some political sociology this organizational trend has been partially masked by the association of the devolution of state functions onto nonprofits with the election victories of anti-government politicians and the presumed cultural suspicions of Americans towards their government. However, similar trends are visible across the industrialized world with roughly the same periodization. This has led British political scientists and regulation school political economists to associate the reorganization of governance with a crisis of Fordist accumulation. Setting their interpretation of these events aside, they note a move to decentralized governing structures in numerous settings and at numerous scales as a way of coping with the contingently necessary complexity created by the collapse of the Fordist paradigm in 1973. Associated with this is a proliferation of more specialized organizations that deploy particular decision-making practices designed to cope with the increasing uncertainty characteristic of the post-Fordist era. With more organizations engaged in governance using a greater variety of tools a premium is placed on coordinating the various organizations to achieve desired outcomes. By looking across policy arenas and the presumed sectoral boundaries of market, state, and 'third' sector we illuminate the workings of intermediary organizations which call into question assumptions about the rigidity of these boundaries and flesh out some of the new methods of governance.

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**Paper Number:** PA051347

**Paper Title:** Capacity Building through Partnership: Intermediary NGOs as Local Actors and Global Actors

**Author(s):**

Paromita Sanyal, Harvard University, Cambridge, MA, USA

### **Summary of Research**

This article examines the case of an intermediary NGO that followed a unique strategy to foster sustainable development, viz., 'capacity building through partnership'. For development NGOs of the intermediary type, 'partnership' and 'capacity building' have become popular approaches to development work. From this study it was found that although the decentralized network form of governance proved to be a powerful innovation, it presented a paradox. Especially in this case, where the goal of much capacity building activity was the transmission of specific values and perspectives, such a strategy posed a complex set of trade-offs. This paper unravels the trade offs.

### **Description**

Paper Abstract and Bibliography

'Capacity Building through Partnership: Intermediary NGOs as Local Actors and Global Actors'

This paper addresses the problem of the governance and management of an intermediary development NGO. It examines the case of an intermediary NGO that combined both development practice as well as related research and policy advocacy. This was the key component of their unique strategy of 'capacity building through partnership'. In recent times partnership as a form of governance and capacity building as a functional approach have become popular among development NGOs. The organization studied implemented this strategy through a network form of decentralized governance geared towards fostering local institution building. Being positioned between international organizations on the one hand and local organizations and communities on the other, this organization tried to spread the impact of its change efforts in both directions. In order to do this in the age of globalization it meant that the organization had to play the role of both a local actor as well as a global actor.

In the existing literature on non-profit development organizations less attention has been paid to governance and management of intermediary NGOs that try to combine practice as well as research and advocacy. In this paper I have argued that the central governance problem that intermediary NGOs like the one examined confront, is the quest for creating appropriate organizational structures in sustaining collective action towards achievement of the end goals. I argue that this is akin to the problem that social movement organizations confront in the creation of appropriate 'mobilizing structures' (Mc Adam, 1996). I have highlighted the ways in which such organizations are similar to movement 'halfway houses' (Morris, 1984) and have thus established an important theoretical connection between intermediary NGOs and social movement organizations.

□ Since this study entailed the examination of a complex organizational process, following a case study method was thought to be the most appropriate. This method provided an ideal way of incorporating the NGO's contextual conditions. It made possible detailed analysis of the governance strategy of the organization by allowing the examination of patterns and trends over time. I entered the organization as an outside observer, and drew on several different sources of information. I examined primary sources of information about the organization including annual reports of the organization and those of its partner organizations. In addition I conducted open-ended interviews with key personnel of the organization and its partners. Subsequently I have used the transaction cost economizing approach to evaluate centralization versus decentralization as alternative governance structures for this intermediary NGO.

From this study it was found that although the decentralized network form of governance proved to be a powerful innovation, it presented a paradox. Especially in this case, where the goal of much capacity building activity was the transmission of specific values and perspectives towards creating an alternative view of development, such a strategy posed a complex set of trade-offs. The main

contribution of the paper is to unravel the trade-off of values involved in the choice of appropriate governance structure in the context of an intermediary development NGO acting as a catalyst between local and global development organizations. These insights about governance issues, I argue, are applicable to similar non-profit and social movement organizations.

Note: This is a completed paper and is under review by the Non-Profit and Voluntary Sector Quarterly.

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**Paper Number:** PA051349

**Paper Title:** Verifying a Model: Do Institutional Forces Differently Impact Indiana and Illinois Nonprofit Advocacy?

**Author(s):**

Richard Clerkin, North Carolina State University, Raleigh, NC, USA

### **Summary of Research**

Based on a previously-derived model of the likelihood of Indiana nonprofits engaging in advocacy, I test the generalizability of the model using data collected from a nearly identical survey of nonprofit organizations in Illinois. Elazar (1984) classifies Illinois as having an Individualistic/moralistic culture and Indiana as having an Individualistic culture. Given these different political cultures, I hypothesize that Indiana nonprofits need to be more organized to have their voices heard (at least at a state level). Formalization may be more important for Indiana nonprofits than for Illinois nonprofits as an indicator for the likelihood of engaging in advocacy.

### **Description**

In this paper I will test the generalizability of the results of previous research on nonprofit advocacy in Indiana to Illinois nonprofits. In Indiana, more formalized nonprofits were more likely to engage in advocacy than less formalized nonprofits. I will use data collected using a survey of nonprofit organizations in Illinois (ILS) (please see Grønbjerg & Childs, 2003 for a description of the results of this survey) that is nearly identical to the one used in Indiana. The sample for this survey was drawn from a slightly less complex enumeration of Illinois nonprofits than was used for the Indiana Nonprofit Survey (INS.) Nonprofits for the ILS were identified by combining the IRS registered nonprofits with Illinois addresses, nonprofits incorporated with the Illinois Secretary of State, and congregations and other houses of worship listed in the Illinois Yellow Pages. Extended community-based searches of local listings of nonprofits and hypernetwork derived sampling were not undertaken in Illinois. Therefore, while not as complete an enumeration of nonprofits was undertaken in Illinois, the sample for the ILS is more robust than one drawn from a single source, which compensates for some of the nonresponse bias associated with an 18 percent response rate. I compare the results from Illinois nonprofits to both the Indiana nonprofits that were identified through the IRS listing, Indiana Secretary of State, and Indiana Yellow Page listing of congregations and houses of worship and the complete sample of Indiana nonprofits to first compare similar pools of organizations and to see if differences can be found between the more complete listing and the limited enumeration of Illinois nonprofits.

Given that Indiana and Illinois are Midwestern states that share a fairly long border, there is a concern that there will not be enough variation in the institutional contexts between the states to allow for data from the ILS to test the validity of results from my analysis of the Indiana data. However, the vastly different voting results of the 2004 presidential election indicates some potential differences between the political cultures of these two states. Indiana voted overwhelmingly for George W. Bush (60.1 percent for Bush, 39.2 percent for Kerry) while Illinois voted overwhelmingly for John Kerry (44.7 percent for Bush, 54.7 percent for Kerry). On at least a superficial level, these appear to be very different states in terms of political make-up. Other research provides a more robust academic analysis to substantiate such a purported difference between the political cultures of these two states.

Based on Elazar's (1984) assignment of states to different political cultures, Illinois and Indiana represent different cultural and institutional contexts in which the nonprofit sectors developed. Elazar classifies Illinois as having an Individualistic/moralistic culture and Indiana as having an Individualistic culture. Moralistic states tend to have strong public administration that appeals to the public interest when justifying political positions, while Individualistic states tend to serve more specific interests, with coalitions of groups seeking advantages from government (Mead 2004, pg. 274). "Moralistic states tend to show high political participation, competitive parties, strong merit personnel systems, and liberal and innovative programming. Traditionalistic states show less of these things. Individualistic states tend to fall in the middle in these respects while showing strong parties and more centralized administration than the moralistic group" (Mead 2004, 274-275).

Given these different political cultures, I hypothesize that Indiana nonprofits need to be more organized

and forceful to have their voices heard (at least at a state level). Illinois nonprofits may have easier entry to the policy process as policy makers attempt to understand the “public interest” as they pursue their policy objectives. Therefore, formalization may be more important for Indiana nonprofits than for Illinois nonprofits as an indicator for the likelihood of engaging in advocacy.

**Paper Number:** PA051351

**Paper Title:** Voluntary and Community Organisations and their potential to Contribute to Improved Community Relations in Northern Ireland

**Author(s):**

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Arthur P. Williamson, University of Ulster, Coleraine, UK

**Summary of Research**

This paper reports on a current research project which has been funded by the European Union under its second Peace and Reconciliation Programme. Commentators have noted the direct and the indirect contribution of civil society to the early years of the peace process running from the early 1990s (Cochrane, 2001; Couto, 2001; Guelke, 2003). Yet as Guelke notes, the positive contribution of initiatives within civil society in the run-up to the 'Good Friday' agreement in 1998 has not been matched since. Divisions between the two main ethno-religious communities have deepened substantially in the past five years (Acheson and Milofsky, 2004).

**Description**

The focus of the research project on which this paper is based is the potential contribution, (direct and indirect) of voluntary action to mediating and resolving deep communal divisions between the Catholic and Protestant communities in Northern Ireland where civil society features several thousand voluntary and community organisations. Few of these have the promotion of community relations as their goal. There are also voluntary organisations (like the Orange Order and various Nationalist and Republican organisations) whose main purpose is to sustain and promote exclusive communal identities. We examine the extent to which the organisations involve people from both communities and to which the participation of those organisations in wider networks reflect their engagement with issues that span civil society.

Northern Ireland is one of the most deeply divided and, until the paramilitary ceasefires of the mid 1990s, one of the most violent countries in the European Union. During 30 years of guerrilla warfare there were more than 3,700 deaths and 40,000 injuries in a region with a population of just over 1.5m (Hargie and Dickson, 2003).

It is estimated that there may be more than 4,500 voluntary and community associations in Northern Ireland, without counting congregations of churches and myriad self-help associations. They now employ almost 30,000 people, provide opportunities for over 74,000 volunteers and command resources of over £500m a year.

Forms of voluntary action in Northern Ireland mirror those throughout the rest of the United Kingdom and there are distinct similarities with the voluntary sector in Britain (Acheson et al, 2004).

Organisations are organised around familiar categories of need and address familiar categories of users. The issues they address are very familiar: poverty, ageing, disability, families with young children, and women's issues, to name a few. Area-based community organisations tackle familiar problems of urban blight, poor services and a lack of economic opportunity. It is the perceived capacity of such organisations and activities to generate social capital that have given them a salience in national policies focused on social cohesion.

The issues addressed are common to communities on both sides of the communal boundaries but there appears to have been little progress in impacting overall communal divisions. This lack of progress seems to run counter to the social capital hypothesis that suggests that mediating structures in civil society can create social capital that is useable for democratic decision making. In Northern Ireland it appears that the capacity of voluntary and community organisations to general social capital across communal identity boundaries is limited by a political opportunity structure that has encouraged avoidance and the development of parallel and separate institutions.



The project uses sociological and psychological insights in our attempt to understand the our research questions which include: (a) an examination of the embeddedness of voluntary and community organisations within their host communities; the nature and degree of recent change in the make up and policies of organisations (and whether it is in a positive or negative direction vis a vis community relations); (c) the potential capacity of the organisations to deliver on a community relations agenda; (d) the relationship between the sphere of voluntary action and the broader political processes that are embodied in state action.

The paper draws on a set of interviews with specialists in voluntary action policy development and in community relations. The interviews were intended to scope the general capacities and limitations of voluntary action as a force for transcending communal divisions. They form the first stage of a detailed study that uses survey and case study methodology to explore relations between voluntary action in Northern Ireland and communal divisions.

We will further argue that the issues that we address in the paper should form a central part of the development of a wider European approach to the study of civil society. The experience of Northern Ireland can throw light on emerging dilemmas in developing relations between Muslim and Christian Europe and in the resolution of older problems of national and linguistic minorities who, for historical reasons, may have found themselves living in the 'wrong' state. Both the development of theory and the development of future research programmes need to address this reality.

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**Paper Number:** PA051353

**Paper Title:** Ethnicity and Volunteering: A Comparison of African Americans, Hispanics, Asians, and Whites

**Author(s):**

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Cristina Garcia, University of Southern California, Bell Gardens, CA, USA

Sally Raskoff, Los Angeles Valley College, Los Angeles, CA, USA

**Summary of Research**

This paper addresses the question: what are the similarities and differences between volunteers in each of four racial/ethnic categories (African American, Hispanic, Asian, and White)?

The data is from the Bureau of Labor Statistics' 2004 survey on volunteering in the US (N= 60,000 households). We use multiple regression models to test the relationship between (1) independent variables indicating socio demographic status and roles and (2) dependent variables indicating whether or not the individual volunteered, the number of hours volunteered, and perceived barriers to volunteering.

Implications of the findings for volunteer theory and volunteer management practice are discussed.

**Description**

Paper Proposal for 2005 ARNOVA Conference

Ethnicity and Volunteering: A Comparison of African Americans, Hispanics, Asians, and Whites

1. Problem to be addressed

This paper will report the findings of study of volunteering to organizations among African Americans, Asians, Latinos and whites in the US. The question to be addressed is: what are the similarities and differences between volunteers in each of the four ethnic categories; that is, what are the best predictors of whether or not an individual will volunteer to a formal organization in each of the four groups?

2. Relationship of the topic to the state of knowledge in the field

Some past research has focused on volunteering by specific ethnic minority groups, such as Smith et al (1999) who used qualitative methods to focus on the seven ethnic groups and their different forms of philanthropic behavior, such as family, religious, or cultural practices. Also, there have been quantitative studies, but with sample size insufficient to analyze the groups separately, e.g., resulting in white vs. nonwhite or not really focusing on the specific group (Sundeen, 1988).

Generally, such previous quantitative research has used race as one of the independent variables and has asked the question, who is more likely to volunteer, whites, African Americans, Hispanics, or Asians? For example, using the 2001-02 Bureau of Labor Statistics national survey data, Sundeen, Garcia and Raskoff (2003) found that whites were more likely to volunteer to formal organizations than African Americans, Hispanics, and Asians when controlling for various socio demographic statuses and residential characteristics. However, this approach does not provide insight into the characteristics of those who volunteer within each ethnic category. In this study, we examine each group in terms of (a) who volunteers, (b) the activities to which they tend to volunteer, (3) the number of hours volunteered, and (4) the barriers to volunteering they face. The purpose of the research is to examine the socio demographic factors (age, gender, education, income, homeowner status, marital status, parental status, size of community) associated with whether or not one volunteers within each of the four racial/ethnic groupings.

### 3. Research Methods

This study uses the Bureau of Labor Statistics data set from its 2004 survey on volunteering in the United States. The sample includes approximately 60,000 households which will allow us to carry out separate analyses of the three major ethnic groupings (plus whites).

We will use logit analysis and linear correlation to explain the following dependent variables:

- Whether or not an individual volunteered to any formal organization in the past 12 months (using logit analysis);
- Whether or not an individual volunteered to 15 types of nonprofit organizations/groups: religious; children's educational, sports or recreation; other education; social and community service, civic; cultural or arts; environmental or animal care; health research or education; hospital, clinic or healthcare; international; labor, business, or professional; political party of advocacy; public safety; sports or hobby; or youth services (using logit analysis for each activity.)
- The number of hours volunteered (using linear regression).
- Barriers to volunteering: time; health, childcare; expenses; lack of interest (using logit analysis for each barrier).

The independent variable will include:

- Socio demographic: age, gender, country of birth and year of immigration; family income; education; employment; homeowner status; marital status; number of children in the home.
- Residential: city size of residence; % white, Black, Latino, and Asian in county of residence.

### 4. Contribution to the field

This study will be first to compare the predictors of volunteering within major ethnic groupings and will provide new theoretical and applied insights. For example, it will shed light on the role played by dominant status, a commonly held explanation of volunteering, within each group. It will also enable practitioners to better understand the factors associated with volunteering and barriers to volunteers by different ethnic groups and, thus, would have implications for volunteer management, especially recruitment.

**Paper Number:** PA051354

**Paper Title:** Nonprofit and Public Sector Information Campaigns as Homeland Security Policy Tools

**Author(s):**

Heather Getha-Taylor, Syracuse University, Syracuse, NY, USA

**Summary of Research**

The Department of Homeland Security (DHS) relies on the involvement and cooperation of individuals across sectors. This paper will examine the public information campaigns that have been created by both public and nonprofit organizations (including the Department of Homeland Security, American Red Cross, and Federal Bureau of Investigation) to engage citizens and promote homeland security initiatives. This paper will apply the framework set forth by Weiss and Tschirhart (1994) to evaluate homeland security public information campaigns. This research will contribute to our understanding of public information campaigns as policy tools to encourage individual involvement and cross-sector collaboration.

**Description**

Securing the U.S. homeland requires coordinated effort. In fact, the creation of a National Response Plan (NRP) to guide the previously fragmented approaches was a primary objective for the Department of Homeland Security. Unveiled in January 2005, the NRP integrated policies and procedures to coordinate efforts by such actors as law enforcement officers, firefighters, public health officials, private sector leaders, and volunteers. While the Department of Homeland Security (DHS) is the designated lead governmental agency on homeland security policy issues, this agency relies heavily on the involvement and cooperation of individuals and groups across public, nonprofit, and private sectors. How to garner such participation is at the core of this research. This paper will examine public information campaigns that have been created by both public and nonprofit organizations to engage citizens and promote Homeland Security initiatives. Examples of such campaigns include those crafted by the Department of Homeland Security, the American Red Cross, and the Federal Bureau of Investigation (FBI).

As defined by Rogers and Storey (1987), public information campaigns are “intended to generate specific outcomes or effects in a relatively large number of individuals, usually within a specified period of time, and through an organized set of communication activities.” In 1994, Weiss and Tschirhart examined 100 public information campaigns and categorized them according to policy objective. The authors were able to draw conclusions based upon the issue, agent, target, and message of the campaigns to create an overarching set of criteria to gauge campaign effectiveness and effect on policy design and democratic values. Based upon their research, this paper continues the systematic examination of public information campaigns as public policy tools.

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This research does not attempt to evaluate whether or not existing homeland security campaigns have resulted in the social changes necessary to facilitate increased volunteerism or coordinated effort. Rather, this research seeks to understand whether or not the campaigns were designed to promote informed and effective choice by citizens, messages free of deception, acknowledgement of multiple perspectives on issues, special efforts to help less-educated citizens benefit from information, and consideration of viable alternatives to public information campaigns to avoid overuse. Further, homeland security information campaigns will be examined to determine the intended target audience, the selection of the channels used, the attention garnered, the credibility of the message, and the influence that such message(s) was intended to create based upon document analysis and interviews of both individuals who observed such campaigns and the individuals who created the campaigns.

Of particular importance in this research is the inclusion of ideas, information, or symbols that promote collaborative effort or connect homeland security policies with individual efforts. Weiss and Tschirhart (1994) note that public information campaigns have traditionally focused on individual, rather

than group, behavior. In the context of homeland security, which requires collaborative effort and involves a heavy reliance on volunteers, a key question of interest is: how effective are homeland security public information campaigns in encouraging individual-based, collaborative effort?

In their research, Weiss and Tschirhart (1994) found evidence that public information campaigns have been “effective means of achieving diverse policy objectives.” This paper will continue this line of inquiry and will apply the criteria and framework set forth by Weiss and Tschirhart to evaluate the homeland security campaigns implemented by nonprofit and government organizations. Not only will this research contribute to our understanding of ways to encourage individual and group efforts in homeland security initiatives, it will also contribute to our understanding of public information campaigns as tools to encourage cross-sector collaboration toward a common policy goal.

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**Paper Number:** PA051355

**Paper Title:** The Impact of War on Civil Society: Evidence from Five Countries

**Author(s):**

Rieko Kage, Harvard University, Cambridge, MA, USA

**Summary of Research**

This paper examines how war affects civic engagement. It explores why voluntary participation rises in the wake of wars, both in victorious and defeated societies. Conventional theories argue that victory in wars leads to a rise in civic engagement, while defeat depresses it. The study challenges this contention by presenting new data from five countries in the wake of World War II, Japan, Britain, Sweden, Finland, and Ireland. On the basis of this data, the study develops and tests a new framework for understanding the relationship between war and voluntary participation.

**Description**

This paper examines how war affects civic engagement. It explores why voluntary participation rises in the wake of wars, both in victorious and defeated societies. Conventional theories argue that victory in wars leads to a rise in civic engagement, while defeat depresses it. The study challenges this contention by presenting new data from five countries in the wake of World War II, Japan, Britain, Sweden, Finland, and Ireland. On the basis of this data, the study develops and tests a new framework for understanding the relationship between war and voluntary participation.

An investigation of the effects of war on civic engagement and civil society should not only shed light on the factors that “make democracy work.” If, as Larry Diamond argues, a democratically-minded civil society is crucial to the success of democratization, then an inquiry into the effects of war on civic engagement should also illuminate the conditions that “make democracy” itself in the first place, particularly in societies, such as present-day Afghanistan or Iraq, that attempt to democratize in the wake of wars.

Existing studies of participation overwhelmingly suggest that defeat in war should lead to a decline in civic engagement, whereas victory should foster an increase. Defeated societies, in particular, it is claimed, suffer falling incomes, interruption of educational opportunities, as well as psychological trauma, all of which are likely to lead citizens to withdraw from public life.

Data that I have recently compiled on Japan, Britain, Sweden, Finland, and Ireland in the wake of World War II, however, present a very different picture. The data reveal a rapid increase in voluntary civic engagement in the belligerent countries of Japan, Britain, and Finland, while participation in neutral Ireland and Sweden remained largely unchanged.

If victory as well as defeat in war may foster an increase in levels of civic engagement, how can this be explained? Rather than to focus mainly on the outcomes of war, as previous studies have done, this study contends that more attention should be paid to the processes of war, or the citizens’ experiences of war. This paper advances a new two-step model to explain how war in general, regardless of whether it ends in victory or defeat, may encourage a growth in civic engagement, one that emphasizes the effects of: a)wartime mobilization and b)the path-dependent effects from prewar associational activities.

Wartime mobilization may provide vast opportunities for social learning and create a large pool of citizens who are both willing and capable of engaging in collective endeavors. Intensification of war draws larger numbers of civilians into the war effort on an increasingly involuntary basis. Citizens, both on the war and the home front, come to assume increasingly large public responsibilities. They come into contact with individuals, officials, and groups that they would not have encountered otherwise, and in so doing, they may acquire important communication skills, political and social awareness,

organizational savvy, or, in short, what scholars have termed “civic skills.”

The extent to which these citizens actually participate in voluntary associations after wars, however, depends on the availability of opportunities. The availability of opportunities, in turn, is structured by the levels of voluntary activities prior to the war. Wartime defeat may involve extensive physical destruction, but it does not destroy preexisting social networks. Where levels of civic activities were relatively high before the war, citizens may know more citizens who have contacts with organizations. Recruitment efforts on the part of associations may also be greater where levels of associational activity were already high prior to the war.

In recent years, scholars have offered two contrasting views of how changes in civil society may come about. On the one hand, Robert Putnam’s view is that the evolution of civil society is society-driven; the configuration of civil society is driven by legacies from the past, in the case of *Making Democracy Work*, or, in his more recent formulations, by generational change, television viewership, and other societal-level variables. On the other hand, scholars such as Theda Skocpol have pointed to the crucial role of the state in shaping the contours of civil society. This paper argues that both depictions may be only partially accurate. The state may exert a substantial impact over the evolution of civil society, at times inadvertently, as when it mobilizes citizens into war. However, the effects of state and its policies may be mediated and constrained in crucial ways by the preexisting social conditions.

The theory is tested using quantitative analysis of cross-national data from the five countries, as well as with more detailed regional-level data from Japan.



**Paper Number:** PA051357

**Paper Title:** Finding Success in Relationships: Voluntary Organizations and Governments as Partners in Policy

**Author(s):**

Kathy L. Brock, Public Policy and the Third Sector, Queen's University, Kingston, CANADA

**Summary of Research**

**Description**

**Paper Number:** PA051358

**Paper Title:** Board Development in Member Benefit Organizations: Implications for Performance

**Author(s):**

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**Summary of Research**

This paper presents results from two separate studies that have explored board development practices in member benefit organizations (credit unions, trade and professional associations). Board Development entails the range of activities related to building and maintaining a strong board of directors. The results will compare and contrast the prevalence of these practices within the two types of organizations as well as test a model to determine the extent to which these practices lead to having highly capable board members and the extent to which highly capable members contributes to board performance.

**Description**

Board Development entails the range of activities related to building and maintaining a strong board of directors. This includes: recruiting and selecting, training and preparing, monitoring performance, and removing board members (Lee & Phan, 2000; Metz, 1998; Watson, 2004; Weisman, 2003). The paper reviews existing literature on the prevalence and importance of these factors and draws on literature from nonprofit board governance, corporate governance literature, human resource management, and volunteer management to explain and justify the features of effective board development.

The steps in board development include determining the skills and competencies needed on the board and then developing procedures that facilitates the identification and selection of appropriate members (Daily & Dalton, 2004; Lee & Phan, 2000; Metz, 1998). Second is the recruitment and attraction of potential candidates. Recruitment is recognized as one of the most challenging aspects of volunteer management (Brudney 1993; Roberts & Connors, 1998). Third is the selection process. Board governance literature recognizes the value of an independent nomination committee that screens potential applicants (Watson, 2004). Once the ideal board member is identified the board needs to provide training of members to ensure adequate preparation for their role as a board member and to address the changing organizational environment (Roberts & Connors, 1998). This entails both orientations that provide basic guidance for new members and ongoing training that responds to needs of board members and the changing dynamics of organizational performance and environmental pressure. Finally boards need some kind of evaluation procedure to insure continued effective performance. Two types of evaluations are discussed in the nonprofit governance literature overall board performance and individual board member evaluations. By every indication, both practices are relatively rare in the board governance (Cornforth, 2001). Taken together these practices should explain the tendency of boards to secure members who are highly capable to perform their roles as a board member (Becker & Gerhart, 1998; Bowen & Ostroff, 2004).

Bright and Brown (2005) drawing on both practitioner literature (Axelrod, 1994; Hohn, 1996; Ingram, 1996; Soltz, 1997), existing studies on board performance, and their own research proposed individual performance behaviors should be based on several features including attendance, the quality of that attendance (i.e., come prepared), that board members contribute in constructive ways to conversations and the business of the board, and that board members have the necessary knowledge and skills to perform their roles. This last feature is reinforced in the work of Hillman and Dalziel (2003) who introduced a concept called "board capital," which they explain as capital which "consists of both human capital (experience, expertise, reputation) and relational capital (network of ties to other firms and external contingencies)" (pg. 383).

A survey of 1600 credit unions was completed in December 2004 with over 1000 respondents (672 CEOs and 379 Board Chairs, representing 713 organizations). A similar study is underway with a sample of 1500 national trade and professional association executives. The survey is sent to the

executive and they are asked to forward a copy to the board chair.

Results from the first round of research contribute to understanding nonprofit governance in several ways. First, the study provides insight into the association between board development practices and perceptions of board member competencies. Specifically, it supports the contention that board development practices lead to stronger board members and stronger board members are a significant predictor of board performance. Second, this study provides statistically validated measurement tools to assess board development and board member quality. Practitioner literature is full of best practice recommendations with limited empirical support. The study provides practical guidance to nonprofit professionals as they seek to identify practices that lead to stronger boards. Simultaneously, it informs academic literature about board member capabilities and board capital. The study provides insight into the link between board practices and performance, by recognizing the importance of board capital in contributing to board performance. The addition of a secondary national sample will serve to validate and extend the implications available from this research.

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**Paper Number:** PA051359

**Paper Title:** Nonprofits and the services they contract for: Who, what for and how much?

**Author(s):**

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### **Summary of Research**

Scholars and practitioners suggest that nonprofits are increasingly hiring consultants to improve the management of their organizations. Nonprofits spend hundreds of millions of dollars annually on consultants, yet there is little documentation of who is hiring what type of consultant for what services and at what costs. This study provides some exploratory, descriptive research through analyzing 990 tax returns and surveying a small sample of organizations. A future study of nonprofit-consultant engagements building off this study might help nonprofit organizations and consultants better understand the dynamics of these engagements and how to work more effectively with each other.

### **Description**

Nonprofit leaders hire consultants for assistance with various aspects of operations, including strategic planning, marketing, evaluation and other areas that comprise the overall management of their organizations. The services these consultants perform encompass a wide range including but not limited to developing a strategic plan, implement a marketing plan, running a fundraising campaign, evaluating a program or expanding an organization's technology base. Consultants may also simply provide expert advice in any given area of organizational management. These efforts should contribute to the improvement in the quality of management and in the overall performance of the organization.

It is suggested that nonprofit organizations are increasingly hiring consultants in their quest for greater efficiency and effectiveness in carrying out their missions. Reasons cited for these transactions and relationships include lack of human or financial resources, the need for expertise, the need for an objective third party, and the overall increasing competition for resources and call for accountability. There are also instances where a donor requires and an organization to hire a consultant, as in developing a strategic plan before acquiring a grant.

The citing of this increasing activity mostly comprises reflections of observations and lacks the hard numbers to give us a more accurate picture of this trend. There has been little work done in tallying the number of organizations involved in these engagements and the amount of funds they are spending on them. The majority of the sector literature on nonprofits engaging with consultants typically comprises a "how to" approach in guiding nonprofits to effectively engage with consultants. While client-consultant relationships and engagements in the for-profit sector have been tracked and analyzed in depth, few studies have examined these engagements within the nonprofit sector or have measured the level of satisfaction from the nonprofit clients.

With estimated hundreds of millions of dollars spent each year by nonprofits who hire consultants, clearly this topic is worth further examination. Several questions come to mind. Which organizations are engaging with consultants and which ones are not? Why have some nonprofit organizations chosen to hire them while others have not? For what purposes are they hired for? What results have been attained and why? What has been the level of satisfaction nonprofits have had when engaging with consultants? Before analyzing this topic in depth, it is necessary to acquire some base line data that provides a framework for the deeper analysis.

The objective of this study is to conduct exploratory, descriptive research that will serve as a foundation for a more in-depth, larger study on the parameters of engagements between nonprofit organizations and the consultants. This study is broken out into two parts. First, a sample of 990 IRS tax returns from 382 nonprofit organizations for fiscal year 2003 on GuideStar will be drawn for analysis. Part II of Schedule A on the 990 indicates the "Compensation of the Five Highest Paid Independent Contractors for Professional Services" of more than \$50,000 each. This sample is stratified by income level, sub sector and the percentage of representation from the 50 states and the District of Columbia. The 382

organizations will be randomly selected until the sample stratification requirements have been met. Only those organizations with 990's for fiscal year 2003 will be included, and those organizations not correctly fitting the sub sector categories they are aligned with by GuideStar will be bypassed.

Consulting categories that will be used for the sample include strategic planning/management, marketing and communications, retreat/meeting facilitation, financial management, fund raising, board development, technology, legal and other. The complete data set will include all 382 organizations broken out by the stratification parameters. This part of the study will provide data on what types of organizations are contracting for what types of consulting services and how much is spent on such services. A comparative analysis will be conducted according to income level, sub sector, geographic location, type of consulting services hired and amounts spent for each.

Part two of the study will seek to begin the testing of the hypothesis that the majority of nonprofit organizations hiring consultants fall within the mid level income levels (\$1-5million) and that these consulting engagements are below the \$50,000 limit asked for on the IRS 990 tax return. While the majority of dollars spent on consultants most likely comes from the upper level income organizations, the greatest number of consulting engagements is believed to be from this middle income level. A sample of 40 nonprofit organizations in this income level within the same sub sectors as Part I of the study will be surveyed. The survey will acquire the same information as the sample drawn from the 990's, but will also ask why consultants were hired or why they weren't hired. It will also inquire about how they found the consultant/s, what their level of satisfaction with their services was, who paid for the services and whether they would hire a consultant again in the future.

The contribution of this scholarship to the field of nonprofit management is the provision of exploratory, descriptive research on nonprofit organizations engaging with consultants. The intention for this study is to elevate the importance of studying this topic and prompt further research. This intention is based on a simple stream of logic. If nonprofit organizations are to be able to compete for resources and be accountable to their stakeholders, they must be effective and efficient stewards of resources. Some nonprofits use these resources to engage consultants to help them become better stewards of resources and effectively carry out their missions. Therefore, these engagements should be studied more deeply to ascertain if intended results matched actual results, the levels of satisfaction from nonprofit clients, the factors that drove the dynamics of these engagements, and other important aspects of this topic. The ultimate question is whether the engagement has resulted in the improvement in the quality of management and in the overall performance of the organization. These findings suggest that the sheer volume of engagements and corresponding dollars warrant this further research. Further research will have a number of implications for nonprofit management and organizational effectiveness. Ultimately, nonprofits and the consultants they hire can both acquire a deeper understanding of how they may work more effectively with each other.

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**Paper Number:** PA051361

**Paper Title:** I'm Dancing, but What's the Tune? An Exploratory Framework to Assess the Implementation of Voluntary Sector-Government Policy Agreements

**Author(s):**

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### **Summary of Research**

Numerous state governments have entered into policy agreements with a collective of voluntary sector representatives. In the UK and Canada, this has resulted in the signing of a Compact (1998) and the Voluntary Sector Accord (2001) respectively. This paper will address the extent to which these two policy agreements a) have addressed the issues which prompted their creation; and b) have shifted voluntary sector policy attention away from a political – social policy dynamic to a bureaucratic – implementation dynamic. The implications of such agreements for the voluntary sector will be explored.

### **Description**

I'm Dancing, but What's the Tune?

Do voluntary sector – government agreements work?

**Keywords:** National voluntary sector-government policy agreements, policy implementation.

The Problem or issue to be addressed

Numerous state governments have entered into policy agreements [as distinct from regulatory or legislative measures] with a collective of voluntary sector representatives. This has resulted in the signing of a Compact in the UK (Straw and Stowe 1998) and the Voluntary Sector Accord in Canada (Canada and Sector 2001). Both agreements have resulted in the publication of annual implementation reports which profile actions which have been, and need to be, undertaken. In addition, considerable research has been undertaken which address issues related to their implementation. Two outstanding questions this paper will attempt to address and compare are the relative extent to which these policy agreements have a) addressed the sectoral issues which prompted their creation; and b) shifted voluntary sector policy attention away from a political – social policy dynamic to a bureaucratic – implementation dynamic.

The topic's relation to the state of knowledge in the field (including relevant literature)

There is a growing body of voluntary sector policy research which addresses the on-going relationship of compact-like agreements and their impact on the voluntary sector in both the UK (Morison 2000; Carrington 2002; Craig and Taylor 2005) and Canada (Phillips 2001; Brock 2002; Phillips 2002; Brock 2004; Phillips 2004). These agreements were both preceded by landmark state-of -the-sector reports which established both the premise and agenda for these policy agreements (Deakin 1996; Broadbent 1999).

To date, these reports, known as the Deakin and Broadbent Reports, have been referenced as relative footnotes in the evolutionary policy history of voluntary sector- government relations. The intent in this paper is to bring these reports to the fore as policy benchmarks to assess the extent to which these agreements have a) provided a means to address the sectoral issues identified in these pre-agreement reports, and b) focused sectoral attention on agreement implementation at the expense of on-going political – social policy discourse.

The approach to be taken (including data sources)

The two pre-agreement Broadbent and Deakin reports will be analyzed against the policy agreements as well as annual implementation reports and related voluntary sector policy agreement research.

Interviews are also planned with the key architects of these agreements as well as subsequent voluntary sector "agreement – holders" to gain their perspective on the progress to date in relation to the two benchmark reports.

The contribution to the field your work will make.

This research will contribute to existing comparative voluntary sector policy literature by contextualizing and analyzing government – voluntary sector policy agreements in relation to pre- agreement sectoral issues in Canada and the UK. In addition, the question of the opportunity cost associated with implementing such agreements will be addressed. The voluntary sector may be dancing, but to what tune?

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**Paper Number:** PA051362

**Paper Title:** Justifying the Arts as a Community Need: The Role of the Indianapolis Foundation in Arts Funding

**Author(s):**

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### **Summary of Research**

The Indianapolis Foundation, founded in 1916, began funding the arts during the Great Depression, and its growing commitment to the arts continues today. This paper will use the IUPUI Special Archives collection of the Indianapolis Foundation, 1916-1986, to look at an 80-year history of its commitment to the arts. Questions to be addressed are: How did these organizations gain financial support from a fund for community needs? How were these expenditures justified by the foundation? Did the foundation decision-makers have extraneous relationships with these organizations and did they have a bearing on the funding the organizations received?

### **Description**

The Funding of the Arts by the Indianapolis Foundation, 1916-1986

□ 1916-1932: No grants were made by the Indianapolis Foundation to any arts organizations between 1916 to 1932. The first request for funds from an arts organization and was done in person by a Mr. George Calvert of the Indianapolis Clearing House Association. In a memo by some one with the initials E.C.F., (Eugene Foster), the meeting was recorded as having taken place on January 8, 1931. Calvert explained that several attempts had been made in the past to start a symphony but all had failed, and that this orchestra was being lead by the best leadership yet. He insisted that the symphony could be of service to the city and that with some help could be self sustaining through the performance of concerts in other towns. Foster replied that the Pettis Trust Fund was not creating any income at the time, and so no funds were available, but that when money was available he should send a letter to the foundation trustees.

However, in 1932 a letter from the Indiana State Symphonic Society was sent to the foundation, this time signed by the Society's President, Herman C. Wolf. It was addressed to Eugene Foster, and gave a brief history of the symphony's accomplishments and challenges, especially the extremely low wages paid to its musicians. A year and a half after Wolf's letter, on December 12, 1933, the Indianapolis Foundation finally responded with some good news, stating "We are designating \$50 [\$724 CD] per year for three years to your Association ."

1945 – Opera: It appears from newspaper articles that although the Indianapolis Theatre Association and the Parks Department co-sponsored the event, the opera was actually performed by the Indianapolis Opera Theatre. On May 3, 1945, the foundation approved the request for \$2,000 [\$21,052 CD] in funding in response to a written appeal made by Paul Brown on April 3 of the same year.

1948 - Musical Theatre: The summer opera program was now titled "Stars Under the Stars." Once again the foundation granted \$2,000 to this effort, but in 1948 inflation had taken a huge jump since 1945, reducing the purchase power of the grant to \$15,625, a decrease of more than \$4,000 compared to only three years before.

1949 – Film: The first funding for film was actually received by Civic Films, Inc, a production company from Hollywood (and proudly promoted as such). The grant was \$1,000 [\$7,936 CD] and these films were made to "promote citizenship" and American values and were made available at no cost to the public. Because the time period was during the "Red Scare" and Macarthy-ism, it is probable that these were propaganda movies about the attributes of American democracy and free enterprise, and the evils of socialist or communist thought, however more research is forth coming.

1955 – Museums: The Childrens Museum of Indianapolis was the first Museum funded by the foundation, although it later funded the Indianapolis Museum of Art in 1969 and the Museum of Indiana Heritage (eventually the Eiteljorg Museum of American Indians?) in 1986. The first funding was for \$5,000 [\$35,211 CD], and was followed by several more grants between 1956 and 1974.

1958 – Visual Arts Funding: \$16,000 [\$104,575 CD] was granted to the Southwest Social Center in

1958 for a building to conduct arts and crafts workshops. In 1963, they were given another grant for \$14,000 [\$86,419 CD] to complete the building. Whether this would be classified as visual arts support or arts education will be determined with more research into what exactly this organization's function was.

1963 – Zoo Funding: The Zoological Society was gifted a rather large gift for the 1969 - \$25,000, which is \$154,320 CD. This was obviously a big project for the community because another large gift was made the next year of \$35,000 [\$154,320]. These grants were followed by more funding through the years until the Zoo relocated to its present location at White River State Park. In 1984, the foundation granted the Zoo \$110,000 [\$200,000 CD], of which \$10,000 was to be used for educational programming and the rest for relocation and building expenses. This was part of a three year commitment, and another \$50,000 [\$87,719] was appropriated the next year.

1964 – Arts Education: The first program funded for Young Audiences, Inc., was a music education program for school children in Indianapolis. This follows a similar pattern of funding music-oriented arts activities above all else, especially early in the foundation's history with groups like the Indianapolis Symphony Orchestra. The initial grant was \$2,880 [\$17,569 CD] and was followed by several more though 1986 ranging from \$1,000 to \$3,500 per year in non-converted amounts.

1966 – Choirs: Choral groups were among those funded at very low levels in comparison to other art forms. The first grant was in 1966 to the Indianapolis Symphonic Choir in the amount of only \$200 [\$1,162.79]. Unfortunately for choirs, not only was funding low, but it often remained at the same dollar amount over a number of years, so that the actual value in current dollars constantly declined. For example, the Symphonic Choir received \$200 in several years from 1966 through 1975, so that by 1975 the current dollars were only \$701. This was a reduction of real purchasing power of more than \$500 in less than ten years. Their final grant was in 1982, which was \$1,000, but in 2004 current dollars this still only amounted to \$1,956, only an \$800 increase in more than 15 years.

1971 - Radio and Television: WIAN Radio was a public broadcasting station and the Fine Arts Society submitted a proposal to fund a radio show about the arts in Indianapolis. Its first funding was in 1971 for the amount of \$3,000 [\$14,018 CD], and the show was launched. Although it still exists on the radio, the Indianapolis Foundation for it continued through 1975 and then stopped. However, in 1983 WIAN radio station was awarded \$9,076 [\$17,222 CD] to promote station membership development.

1972 – Theatre: Both the Indiana Repertory Theatre and the Booth Tarkington Civic Theatre (soon to be the Indianapolis Civic Theatre?) received their first funding in 1972. The Indiana Repertory Theatre (IRT) was a new start-up during this time when regional theatres were the rage across the country and funders like the Ford Foundation were investing large sums of money in regional arts organizations. The IRT's first grant was for presenting programs to students at high schools, and the amount was \$4,500 [\$21,493 CD]. The Booth Tarkington Civic Theatre was given \$2,500 [\$11,312 CD] to build a new theatre, but it is unclear if that was ever accomplished.

1975 – Dance: The Civic Ballet Society of Indianapolis was the first dance organization to receive support, and it was impressive for a first grant. The amount was for \$6,500 [\$22,807 CD] in 1975, and was followed up with \$7,500 [\$24,916 CD] in 1976, and then a quantum leap in 1977 to \$22,500 [\$70,093 CD]. Another huge increase occurred in 1980 in the amount of \$60,000 [\$137,614 CD], part of which was for programs for school children but part of it was to replace costumes and sets lost in a fire the previous year.

1977 – Arts Council: There were only two grants awarded to the Metropolitan Arts Council (precursor to the Arts Council of Indianapolis?) during this period. The first was in 1977 in the amount of \$12,000 [37,383] and the second in 1978 for \$8,000 [24,637].

1980 – Arts Promotion: The Arts Insite Monthly Newsletter was the first arts promotion program that was funded, and the grant was to form a development plan. However, the development plan must not have worked well because the first grant was the only grant made to it in 1980 in the amount of \$500 [\$1,149 CD].

1985 – Art Festivals: In 1985, the foundation gifted \$15,000 [\$26,315 CD] for the White River Park Art Festival. This was the first year of the festival and it lasted for ten days, but I have not discerned from my efforts if its funding was continued after 1986.

**Paper Number:** PA051367

**Paper Title:** The Effect of Government Funding on Lobbying Activities of Nonprofit Organizations in the U.S.

**Author(s):**

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### **Summary of Research**

In this research, I investigate the net average effect of government funding on nonprofit lobbying expenditures in the U.S. Government funding can increase financial resources for nonprofit lobbying. In contrast, it can create barriers for charities to lobby, because the government might eliminate government money from charities which lobby. For this research, I use National Center for Charitable Statistics' data sets. The result shows that government money has the negative net average effect on charities' lobbying expenditures, when other financial resources, the number of employees, related organization, organizational size, years, states, policy areas, and unobserved time-constant variables are controlled for.

### **Description**

In this research, I investigate the net average effect of government funding on the extent of lobbying activities of nonprofit organizations in the U.S. Government money can have both positive and negative effects on charities' lobbying expenditures. The reason of the positive effect is that government funding can increase financial resources for nonprofits to spend in lobbying. Although charities cannot spend government money directly in lobbying, the increased remaining resources can be allocated to lobbying when government money is used for some other purposes. In contrast, government funding can create a barrier for nonprofits to lobby. Many nonprofits that receive government funds are in fear of retribution for engaging in lobbying. In particular, if a nonprofit's policy position conflicts with the government's policy position, the government might decide to eliminate government money from the charity so that the charity will be discouraged from lobbying. Thus, I hypothesize that government funding has either positive or negative net average effect on nonprofit lobbying expenditures. On the contrary, if government funding has both positive and negative effect on charities' lobbying expenditures to the same extent, the result would show that the net average effect of government money on nonprofit lobbying expenditures is statistically insignificant.

To estimate the net average effect of government funding on charities' lobbying expenditures, I use lobbying expenditures as dependent variables. The key independent variable is government money which consists of government grants and government fees for program services. The control variables are giving, membership dues, other revenues, the number of employees, related organization, years, states, and policy areas. To control for the organizational size, lobbying expenditures, government money, giving, membership dues, other revenues, and the number of employees are divided by total expenditures without lobbying expenditures. Because lobbying expenditures are a small portion of the total expenditures for almost all nonprofits, total expenditures without lobbying expenditures can capture the organizational size.

The model I make use of to test my hypotheses can be expressed as:  
$$(\text{lobbying expenditures})_{it} = a_0 + a_1(\text{giving})_{it} + a_2(\text{membership dues})_{it} + a_3(\text{government money})_{it} + a_4(\text{other revenues})_{it} + a_5(\text{employees})_{it} + a_6(\text{related organization})_{it} + a_7(\text{years}) + a_8(\text{states})_k + a_9(\text{policy areas})_{it} + u_{it}$$

Notes: (1) government money consists of government grants and government fees for program services.

(2) lobbying expenditures, giving, membership dues, government money, other revenues, and employees are divided by total expenditures without lobbying expenditures to control for organizational size.

(3) year consists of a set of dummy variables for the 1998, 1999, 2000, and 2001 fiscal years.

(4) related organization is a dummy variable. If a charity has its affiliated organization, related

organization is one. Otherwise, related organization is zero.

(5) policy area consists of a set of dummy variables for the following five sub-sectors according to the NTEE Classification Code: arts, culture, and humanities, education, health, human services, and other.

For this research, I use National Center for Charitable Statistics (NCCS) Core Files and National Nonprofit Research Data Base from 1998 to 2001 fiscal year, which are provided by the NCCS at Urban Institute. NCCS Core Files and National Nonprofit Research Data Base are compiled from information 501(c)(3) nonprofit organizations with \$25,000 or more in gross receipts report to the IRS, primarily on Form 990 and Form 990's Schedule A. In addition, because these data sets have some errors, I checked outliers and finances of large charities through their original Form 990 and Form 990's Schedule A which Guide Star provides.

First, I employ the tobit model because approximately 2 percent of charities report lobbying expenditures (11,621 of 649,805 charities reported lobbying expenditures from 1998 to 2001 fiscal years). I estimate the net average effect of government money on nonprofit lobbying expenditures, when other financial resources, the number of employees, related organization, organizational size, years, state, and policy areas. The result shows that government funding has the negative net average effect on charities' lobbying expenditures at the 2.52 percent significance level. Second, in order to avoid selection bias, I adopt the Heckman selection model with two-step estimates. The result is almost the same as the result of the tobit model. Third, I make use of the random-effects tobit model to control for unobserved time-constant variables. The result shows that government funding has the negative net average effect on nonprofit lobbying expenditures at the 18.7 percent significance level. Although this result is on the margin of statistical significance, it is consistent with the previous results.

In conclusion, government money has the negative net average effect on charities' lobbying expenditures, when other financial resources, the number of employees, related organization, organizational size, years, states, policy areas, and unobserved time-constant variables are controlled for. Although government funding can increase financial resources for charities to lobby, a barrier for nonprofits to lobby which government funding can create has the stronger negative effect on nonprofit lobbying expenditures.

Table 1. The effect of government funding on nonprofit lobbying expenditures (N = 649,805, 638,184 censored, 11,621 uncensored)

(1)The Tobit Model: lobbying expenditures = 1.2975\*\*\* + 0.0064\*\*\*(giving)+ 0.0645\*\*\*(membership dues) - 0.0019\*\*(government money) - 0.0003(other revenues) + 20.7048\*\*\*(employees) - 0.7172\*\*\*(related organization).

Log Likelihood: -32592.28842.

(2) The Heckman Selection Model: lobbying expenditures = 1.297456\*\*\* + 0.0064322\*\*\*(giving) + 0.0644563\*\*\*(membership dues) - 0.0019029\*\*(government money) - 0.000315(other revenues) + 20.7048\*\*\*(employees) - 0.7172333\*\*\*(related organization).

Wald test for Chi2: 1639.57(63).

(3)The Random-Effects Tobit Model: lobbying expenditures = 1.253913\*\* + 0.0046062\*\*\*(giving) + 0.064355\*\*\*(membership dues) - 0.0011502\*(government money) + 0.0008955\*(other revenues) + 21.69524\*\*\*(employees) - 0.7996564\*\*\*(related organization).

Wald test for Chi2: 1101.94(63). Log Likelihood: -31692.061.

\* statistically significant at p < 0.2

\*\* statistically significant at p < 0.1

\*\*\* statistically significant at p < 0.01

Notes: all specifications include years, states, and policy areas.

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**Paper Number:** PA051370

**Paper Title:** Sustainability and community based organisations: The adult and community education (ACE) sector in Victoria, Australia

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**Summary of Research**

In this paper the authors identify the dimensions of sustainability for community based nonprofit organisations in the adult and community education sector in Victoria, Australia. From the findings of empirical research they develop an index of sustainability which may be used by organisation within the sector to assess sustainability and to guide organisational and staff capacity building efforts.

**Description**

Sustainability and community based organisations:  
The adult and community education sector in Victoria, Australia

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Community based nonprofit organisations are an important vehicle for the delivery of adult and community education (ACE) in Australia. In 2002, in Victoria alone, there were 436 community providers of adult community and further education, making them a significant feature of the educational landscape. These organisations are an important part of community infrastructure as well, contributing significantly to the economic and social development of the communities in which they operate.

Government has long recognised the value of the community based ACE sector in Victoria, and public investment in this sector has been, and continues to be, significant (Kosky 2003). Community based providers arguably offer learners more informal and learner centred approaches; they are generally more accessible and affordable than educational organisations in other settings, and they are important focal points for community interaction and service delivery (Kosky 2003).

These ACE organisations share many features in common with other community based nonprofit organisations. They are owned and sustained by the communities they serve. They are generally small and thinly resourced, and staffed by a combination of paid workers and volunteers. They receive their income from a variety of sources, namely state and federal government funding, fees and charges and in some cases, from philanthropic donations.

Recent changes in the ACE sector are serving to focus government and community attention very directly on issues around sustainability of ACE organisations. Like other community based nonprofit organisations, the landscape for these organisations is changing. Major demographic shifts, technological change, and constrained government funding are just some of the external forces having an impact. At the same time, increasing levels of demand, increasing diversity of clients and rising customer expectations are also contributing to the complexity of service delivery.

This research seeks to develop our understanding around the issue of sustainability and community based ACE organisations in Victoria. It seeks to answer some key research questions, namely:

- what is 'sustainability' in the context of community based ACE organisations?
- How can sustainability of ACE organisations be assessed?
- What are the factors that impact on the sustainability of these organisations?
- What strategies can ACE organisations employ to improve their sustainability?

The paper begins with an overview of the literature from Australia and overseas, identifying appropriate dimensions of sustainability for community based organisations. It draws on knowledge currently emerging around issues of sustainability, performance evaluation and capacity building of nonprofit organisations and develops the findings of related studies (e.g. McKinsey and Company 2001, Bozo 2000, Murray and Balfour 1999, Cutt 1998) for an Australian setting. It uses, as its basis, a framework adapted from Kaplan's balanced scorecard approach (2001).

The paper then continues on to present the results of a study applying these dimensions of sustainability to the Victorian ACE sector. The study employs a mixed-method approach, utilising focus groups with ACE sector representatives and stakeholders to identify issues around sustainability risk factors and risk management strategies within the sector. This is then complemented by a survey of Victorian ACE organisations to identify the extent to which these organisations are impacted by the risk factors as identified. From their findings the authors develop a sustainability index to be used by organisations in the ACE sector to ascertain their level of sustainability and to guide future efforts to build provider and staff capability within the sector.

This research is significant at a number of levels. For practitioners, the study's findings may assist them to develop stronger and more sustainable community based organisations. For policy makers the findings may also provide benefit, particularly where community organisations play a part in implementing key policy objectives of Government. Finally, the study may benefit the research community, through its contribution to the body of knowledge around sustainability, particularly as it relates to community based ACE organisations in Australia.



**Paper Number:** PA051373

**Paper Title:** Reflections on the Legitimacy of NGO: a case study of Spain

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**Summary of Research**

Legitimacy is a principal aspect for the third sector context, especially because of the increasing important advocacy role that some organizations are playing at the national and international level. However, there is a need for NGO to deeply study legitimacy. The purpose of this paper is to reflect on the legitimacy of NGO and to contribute to improving its management by identifying the main criteria for legitimacy. The theoretical approach to the concept of legitimacy is combined with the results of a field study conducted in Spain in 2004.

**Description**

Over the past fifteen years, the context within which non-governmental organizations (NGO) work has changed considerably, and they have become important actors in national and international politics. This fact has been accompanied by a rapid growth in the number, types of activities, resources and social weight of NGO.

NGO are currently growing in a context characterized by their increasing importance and influence. They have become vehicles through which civil society can influence the decisions and actions of public and private actors. In other words, they generate dynamics of political change. The different forms of political pressure or impact have become a central strategy for NGO, with the aim of persuade different groups of actors (individuals, states, international organisations, companies, and so forth) to adopt certain policies and behaviours. Nevertheless, this new more politically active role of NGO confronts a variety criticisms and challenges regarding the legitimacy of organizations.

There is a need for NGO to deeply study legitimacy in order to be recognized and accepted in its role of contributors to a better society. The purpose of this paper is to reflect on the legitimacy of NGO and to contribute to improving its management by identifying the main criteria for legitimacy. The theoretical approach to the concept of legitimacy is combined with the results of a field study which was conducted in Spain in 2004. The field study was mainly based on an on-line survey answered by more than two hundred organisations. These organizations represent a wide variety of entities in terms of their scope of work or subsector and their size (in terms of budget and human resources). The survey is being supplemented by interviews with important persons from the third sector and academia.

The study also presents a model to manage legitimacy. Representativeness, transparency, experience and knowledge are some of the keys to be taken into account for this general model, although it will be finally shaped by every organisation with their own specificities such as their histories and missions. Legitimacy is a principal aspect for the third sector context, especially because of the increasing important advocacy role that some organizations are playing at the national and international level. In addition, the legitimacy of NGOs is a challenge being faced all over the planet. Sharing this paper might encourage a reflection on this topic and provide the chance to extrapolate or apply the key variables identified in different contexts. To this end, the case of Spain might be a good example of the situation of the legitimacy of these organizations in a developed country.

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**Paper Number:** PA051374

**Paper Title:** Building local capacity for education reform: The work and accomplishments of Local Education Funds

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**Summary of Research**

Local Education Funds (LEFs) are non-profit organizations working to influence education policy discussions and support effective partnerships between school district insiders and outsiders to improve the quality of public education. Based on qualitative methods, the research presents a framework for understanding and assessing their work and accomplishments. The research illustrates how LEFs craft multi-dimensional programs that operate at the juncture of the civic and school arenas, thereby making a unique contribution within the landscape of organizations supporting education reform and community economic development.

**Description**

The Problem: With support and leadership from the Public Education Network (PEN), local education funds (LEFs) are non-profits that have worked over two decades to 1) educate and mobilize their communities so that citizen voices are influential in education policy discussions; and 2) support effective partnerships between school district insiders and outsiders to improve the quality of public education. However, LEFs are highly adaptive organizations that typically customize their change strategies to their local contexts, resulting in tremendous variation in their organization and strategy. At the same time, the highly individual nature of each LEF obscures a collective identity.

Working in an era marked by a complex web of education reforms and declining faith in the public sector, LEFs are under pressure to explain their role and justify support for their work (Jehl, 2003.) We report on a study conducted for PEN by Research for Action (RFA) that develops a framework for understanding, assessing, and communicating about LEFs' contributions to school reform in local communities. This research describes LEFs' distinctive territory as intermediary organizations working on school reform and a theory of change that shows the process by which their work influences education policy and practice in local contexts. Finally, it offers a framework for understanding and assessing LEFs' accomplishments in schools and communities.

Relation to the State of Knowledge in the Field: The number of organizations working outside of schools and school districts for improvement of public education has grown enormously in the past twenty years, along with research on their contributions (McDonald, McLaughlin, and Corcoran, 2000, Kronly & Handley, 2003, Rothman, 2002, Honig, 2004, Lampkin & Stern, 2003). These groups include a wide range of organizations: universities, business associations, civic groups, community organizing groups, school foundations and a range of service providers. With this diversity, it is critical to better understand the nature and contributions of such organizations in order to recommend ways they might work together more effectively for the same ends, rather than compete, within particular communities.

One body of research to which this study contributes is the literature on intermediary organizations, particularly literature aimed at understanding education support organizations. Several analysts already have categorized local education funds as intermediaries (Honig, 2004; McDonald, McLaughlin, and Corcoran, 2000; Kronley & Handley, 2003; Bodilly, 2001.) While LEFs share certain characteristics with other intermediaries, they also have distinct features that serve as a starting point for understanding their work. Our research illustrates both the characteristics that LEFs share with other intermediaries and those that distinguish them. For example, like other intermediaries, LEFs serve as

brokers between organizations and institutions and act as flexible vehicles for action. However, LEFs are distinctive in that they are established not to solve a particular problem and move on, but to work over time in a local setting. Further, their goals include improving the overall economic and social well-being of their communities through a focus on equity.

This study also contributes to theory on civic capacity for school reform and its relationship to community development. Civic capacity addresses the many obstacles outside of schools that stand in the way of improving student learning &#8211; funding, politics, administrative turnover, and conflicting reform agendas &#8211; to name a few (Stone, et al., 2001; Hess, 1999; Cuban & Usdan, 2003; Christman & Rhodes, 2002) These scholars have identified the critical importance of cross-constituency alliances in the school and community environments to the success of school improvement efforts. One set of scholars have pointed to the engagement of civic actors as a essential to the efforts of schools and districts in stimulating reform and moving it forward. Stone and his colleagues have noted the importance of representative coalitions that can establish a shared agenda for reform (Stone, et al., (2001); Henig et al., 1999; Hill, et al., 2000.) Another line of research makes a case for the importance to school improvement of strong relationships of trust among school staff members and between schools and communities (Bryk and Schneider, 2002.) Our study illustrates the ways in which LEFs contribute to building local civic capacity for education reform by creating shared agendas and building relationships among constituencies.

The Research Approach: In this study, RFA used a qualitative approach to developing a framework for understanding the contributions of LEFs. The research followed specific lines of inquiry: 1) characterizing LEF goals and strategies; 2) identifying accomplishments; 3) defining credible measures linked to accomplishments; 4) understanding variation; and 5) determining the theory of change to describe how LEFs&#8217; efforts lead to improving schools and communities.

The one and one-half year study, began with a review of literature on LEFs and intermediary organizations, observations at PEN events, and interviews with national experts who could situate the work of LEFs in a national reform context. From this information, we developed a framework for selecting a sample of LEF sites across the country. We identified 14 sites out of the total of 80 PEN members to examine more closely. Sites represented variation in such features as geography, the scope and nature their service areas, and the age and size of the organization. We also chose sites that differ in their emphasis on civic or school arenas and, within those arenas, whether their constituents are primarily business or community members and whether their school efforts aim at systemic or programmatic goals. For each site, we conducted interviews with executive directors and with at least two people in the local community familiar with the LEF&#8217;s work. We conducted site visits to three of the sites where we observed events and talked to a range of stakeholders. In addition, we convened a Research Advisory Group made up of academics and practitioners and drew on the expertise of PEN staff for periodic feedback.

The Contribution to the Field this Work Will Make: Our research shows that Local Education Funds view education reform as a community enterprise. They craft multi-dimensional programs that operate at the juncture of the civic and school arenas, thereby making a unique contribution within the landscape of organizations supporting education reform. In doing so, LEFs are a type of organization that heeds the call of numerous scholars of education change to embed in their work the strategies to create a positive environment for reform in order to stimulate, sustain, and sensitize reform efforts. They shape an environment for reform that adds value to their efforts to change schools and benefits youth, families, and communities. Our work also suggests that LEFs have potential as organizations that can bridge the space between economic development and education improvement to contribute to community revitalization. Public officials and development professionals have long valued good public schools as an asset in community development, yet rarely are community development efforts and education reforms coordinated. Rather, they operate in separate &#8220;silos.&#8221; Because they work at the intersection of community development and education reform, LEFs are uniquely situated to connect these two strands in efforts to improve community economic and social conditions. Scholars of urban development have noted that it is much easier to build momentum around development efforts that

focus on physical development &#8211; housing, downtown revitalization, and recreational facilities that draw tourists &#8211; than it is to build momentum around education reform. LEFs, with their ability to create alliances and a shared agenda that includes civic as well as school actors, can be important organizations to forward broad civic agendas.

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**Paper Number:** PA051375

**Paper Title:** Equity sensitivity and executive employment selection

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**Summary of Research**

Following on our 2003 theoretical paper, we empirically examine the relationship between the trait of equity sensitivity and executive self-selection into the for-profit and nonprofit sectors. By controlling industry (health care), we show a relationship between this trait and executive employment selection.

**Description**

Given the benefits of working in the private sector, such as generous compensation plans and stock options, it is somewhat puzzling that some people would seek careers in the nonprofit sector even when working for an organization whose mission could be accomplished in either sector. Under these circumstances, one would assume that individuals would choose to work in the private sector. However, this is not always the case. There are a continuous number of people who enter and choose to remain working for the nonprofit sector. The benefits associated with nonprofit organizations, such as the social and psychological implications of helping others, prove to be just as powerful motivators as monetary benefits (Barbeito & Bowman, 1998).

Through the use of the equity theory, we can explain why some individuals perceive the benefits of working in the public sector as greater than those received in the private sector. This theory is based upon the concept that people care about "fairness" and evaluate "fairness" by comparing themselves to others who are in the same position (Adam, 1963, 1965). Furthermore, we argue that people self-select certain employers because they conceptualize fairness or equity different ways. Huseman, Hatfield and Miles (1985) conceptualize three types of equity sensitivity: entitleds, benevolents, and sensitivities. We (Liao-Troth and Wonder, 2003) argue that entitleds seek jobs that serve equity in their favor. In contrast, benevolents choose employers that serve equity in others' favor. The final category, sensitivities, describes people who seek what an outside observer would say is a balance in the equity compared with others.

In the present study we examined the relationship between individuals' equity sensitivity and their self-selected employers. We hypothesized that a person's level of equity sensitivity determines whether he or she will seek employment in a for-profit, or nonprofit organization. An individual who falls in the category of entitled was predicted to work in for-profit organizations. Conversely, a benevolent person would be more likely to take a job in a nonprofit institute. We controlled for industry (health care) to ensure that the primary effect was this equity trait.

Data were collected from executives from hospitals and large medical clinics in Washington State. The participants were administered questionnaires comprised of King and Miles' (1994) Equity Sensitivity Instrument and additional measures to control for gender, age, budget, and tenure within each organization. From the information provided by the surveys, a correlation matrix was constructed to evaluate the statistical relationships among the variables. The values obtained indicated that the three types of organizations (for-profit, nonprofit, and combination) significantly correlated with the different levels of equity sensitivity ( $r = .499, p < .01$ ). An analysis of variance provided further evidence of a strong, positive linear relationship between the two variables ( $F(2, 42) = 7.14, p < .01$ ) when controlling for demographic and organizational variables.

The results of the study provide support for the hypothesis that people self-select organizations in economic sectors based on their level of equity sensitivity. Individuals who seek employment in the nonprofit sector are more likely to be benevolents and those who take jobs in the private sector are more likely to be entitleds.

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**Paper Number:** PA051378

**Paper Title:** Nonprofit Service Provision to Undocumented Immigrants in California: How One Organization Defies Prevalent Anti-Immigrant Sentiments

**Author(s):**

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### **Summary of Research**

This study examines a faith-based, nonprofit organization that provides after-school programs to children in Southern California whose parents currently are, or once were, unauthorized immigrants. This particular organization provides services to these children alongside a strong anti-immigrant movement that opposes such service provision. This study argues that one cannot entirely understand how an organization is able to serve unauthorized immigrants in such a hostile political climate without looking at internal elements of the organization, such as culture and structure, as well as the complexity of the external environment and the organization's relationship to other actors, like funders and collaborative partners.

### **Description**

How do organizations providing immigrant support circumnavigate the formal and informal constraints limiting services to unauthorized immigrants? To answer this question, this study will examine one small, faith-based, nonprofit organization that provides after-school programs to children in two Southern California neighborhoods. The parents of these children currently are, or once were, unauthorized immigrants from Mexico and parts of Central America. This study seeks to understand how this organization provides services to these children, especially in a setting where an active anti-immigrant movement is trying to discourage and prevent such service provision.

There is ample evidence to indicate that California is home to a strong anti-immigrant movement: Proposition 187, which would've denied virtually all benefits to the unauthorized had it not been deemed unconstitutional, passed with 58.8% of the popular vote in 1994; Proposition 227, which abolished bilingual education in California, passed with 61% of the popular vote in 1998; and the recent backlash against the possibility of drivers' licenses to unauthorized immigrants are just a few examples. The State of California's Latino Legislative Caucus (2004) argues that the anti-immigrant sentiments reflected in such activities "have created a hostile environment for immigrants and people of color in this state". In addition, they have created a genuine legal structure that limits social services to unauthorized immigrants, and a normative structure that discourages the services that are still legally guaranteed.

Common sense would suggest that an organization could not survive in such a hostile environment. Yet, this organization and others like it do. To understand how this can be the case, this study looks at the organization's formal structure, culture, and strategic development in relationship to its funders and collaborative partners and in relationship to its larger environment to assess how it is able to stay afloat and continue to meet the needs of the community children. Drawing data from semi-structured interviews, participant observation, and public records, the study focuses on three factors that explain the "success" of this organization. First, I argue that the faith-based component of this organization is significant. Not only does it provide a strong support base from local churches, it also contributes to shared values within the organization. This sense of shared values relates to the second factor: this organization strives to preserve a particular set of internal elements. Specifically, it must sustain an organization culture that maintains service to the community as the primary goal alongside a formal structure that allows it to be sufficiently organized in order to maintain legitimacy in the eyes of potential funders and collaborators, but unstructured enough so that it can act quickly as needed in such a volatile political climate. Third, this organization develops strong relationships with the pockets of immigrant support that do exist. The organization environment is not uniform. While there is a strong anti-immigrant movement, it is not homogenous. It is made up of different groups that vary in their reasons for opposing services to unauthorized immigrants, their policy goals, and their levels of



activism. In addition, there is a countervailing pro-immigrant sector that lobbies in opposition to this anti-immigrant camp and provides a support network for the organization. This complex environment creates a multiplicity of structures that generate conflicting rules, resources, demands, and alliances for the organization. It must seek out, and align with, the immigrant supporting actors.

This study argues that one cannot entirely understand how the organization is able to serve unauthorized immigrants amidst California's active anti-immigrant sector without looking at internal elements of the organization, like culture and structure, as well as the complexity of the external environment and the organization's relationship to other actors. This study seeks to better understand the interaction between the internal elements that comprise an organization and its complex, and at times even hostile, environment. And, because there is very little published on nonprofits providing social services to unauthorized immigrants, this study will help to better understand services to this marginalized, yet ever growing, population as well.

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**Paper Number:** PA051380

**Paper Title:** Active Citizens in Schools: Reviewing a pilot programme to engage young people in volunteering

**Author(s):**

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### **Summary of Research**

This paper presents findings from an evaluation of a three-year, government funded, pilot programme which sought to engage 11-15 year olds in volunteering through their schools in England. The paper looks at some of the successes and challenges faced by schools in their attempts to engage young people, and at the impacts of the programme. At a time when youth engagement in volunteering has become a concern for governments and organisations around the world, this paper adds to existing knowledge by highlighting the successes and challenges of one pilot scheme, while drawing out issues for consideration in future initiatives.

### **Description**

In an attempt to counteract apparent declining participation rates (see for example, Davis Smith, 1998), the last few years has seen the British government busy establishing a new framework to engage young people in citizenship and volunteering activities. One in a line of initiatives has been the Active Citizens in Schools (ACiS) three-year pilot programme, launched by the Department of Education and Skills (DfES) in 2001. ACiS sought to engage 11-15 year olds in volunteering activities through their schools.

With government funding, the programme was delivered by two voluntary organisations. Each worked with a number of secondary schools across England and adopted the same core principals, but both adopted slightly different approaches.

This paper reports on the findings of the evaluation of the pilot programme, conducted by the Institute for Volunteering Research for the DfES. The evaluation was conducted in number of phases and involved a mixture of qualitative and quantitative elements. This paper will draw on findings from different elements of the research.

#### **The scale of involvement**

The first part of the paper gives an overview of the scale of involvement in the pilot, the methods used to engage young people, and the projects undertaken, with the aim of 'setting the scene' and highlighting some of the successes and challenges within the pilot.

Over 5,000 young people took part in the ACiS pilot across 28 schools, well above the initial target. Significantly, many of those involved said that they had never volunteered before. Most coordinators felt that the pupils involved in ACiS were quite representative of the wider school population. However, some challenges were noted. Some schools found it harder to recruit boys, and some tended to recruit the 'more academically able' students.

All schools had used a number of methods to mobilise young people, from holding assemblies on ACiS to placing notices in registers. The most successful methods were felt to be those that used peer-recruitment, or those that encouraged young people to get involved by designing and implementing their own projects. Indeed, the progression towards a young person led approach was felt to be fundamental to all stages of the programme – it was a key distinguishing feature and seen as central to its success.

#### **The impact of ACiS**

The second part of the paper discusses the impacts of ACiS, focusing particularly on the impacts on young people and on the schools as a whole.

For the young people who engaged in ACiS, participation brought a number of positive impacts, with all stakeholders talking enthusiastically about the contribution ACiS had made to their lives. For example, it had led to:

- Increased personal development;
- Enhanced skills;
- A sense of pride in their achievements, making new friends and having fun.

Impacts were also evident on the schools. These included:

- Enhanced relationships between pupils and staff;
- Increased profile and reputation of the school;
- Improved behaviour;
- Changing school ethos.

However, involvement in ACiS also had a number of 'costs' for the participating schools, particularly for the individual staff members that became ACiS coordinators.

#### Conclusions and implications

The paper concludes by drawing out some of the learning on transferability and sustainability that arise from the pilot, and discusses policy and practice implications for future programmes aiming to engage young people in volunteering activities through their schools.

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**Paper Number:** PA051381

**Paper Title:** Jewish civil society in Palestine and Israel 1880's – 1980's: representing and effecting public agenda

**Author(s):**

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**Summary of Research**

The research claims that the Jewish nation building process leading to the creation of the state of Israel, was accompanied by the establishment of independent associations that played a crucial role in the road to sovereignty. Each step towards independence was characterized by different associations and organizations that provided services, fostered solidarity and promoted new cultural and ideological ideas.

These institutions had an effect on public agenda either through their interaction with the government before and after the founding of the state, or through their internal effect over different social and interest groups.

**Description**

Jewish civil society in Palestine and Israel 1880's – 1980's: representing and effecting public agenda

The Jewish community in Palestine and Israel experienced extensive changes since the late 19th century until the 20th century. During these years the community grew in number and gradually became an autonomous society seeking for independence and finally achieving it. This process of forging a feeling of unification and fostering national sentiments, whilst attempting to realize them through the establishment of self governing tools and later on, through the founding of an independent state, owes its fulfillment to a great extent to the various nonprofit and nongovernmental associations initiated by the people.

The study wishes to shed light on the role of Israeli civil society organizations (referring to nongovernmental, nonprofit, independent and philanthropic institutions as a whole) during the nation building process, starting in the late 19th century with the growing Jewish immigration to the land of Israel (Palestine), and ending with the establishment of the state and the construction of a sovereign society. During this long period of transition and change, these institutions had an effect on public agenda either through their interaction with the government before and after the founding of the state, or through their internal effect over different social and interest groups.

Although studies can be found that deal with the activity of specific organizations in various historical contexts, such as Morris's (2000) and Mullins's (2000) study on organizations throughout the history of England, only a few comprehensive historical studies have attempted to describe society through the prism of its associational patterns. In this context we should mention Hammack's research (2001) describing the evolution of the nonprofit sector in the United States, and emphasizing the role of the civil rights movement in that progression. Another angle is furnished by the 'civic engagement' project in the United States (Skocpol & Fiorina, 2000) that examined various organizations at the community and national level whilst attempting to suggest an explanation for American democracy, based on the effect of such organizations.

Another attempt to overview historical times through philanthropic actions is demonstrated in 'a history of philanthropic foundations' referring to the Islamic world (Cizacka,2000) and finally, the collection of articles: 'Philanthropy in the world's tradition' (Ilchman, Katz & Queen, 1998) an additional attempt to

shed light on the historical multicultural roots of the phenomenon.

Among the current theories, the 'theory of social origins' (Salamon & Anheier, 1998) is the only one that attributes special importance to the influence of the historical experience of state and society on the nonprofit sector's scope and nature. The only attempt to overview the history of the Jewish nonprofit sector in Palestine and Israel is a preliminary work based on secondary materials and referring mainly to the dominant and well known organizations (Silber & Rozenhek, 2000).

The present study is therefore, the first and only attempt to offer some quantitative data on the numbers, the categorizations, the functions and the effects of such organizations during different phases of the nation building process. The history of Jewish nation building in Palestine and Israel (before and after independence) is a good example not only because of the Jewish strong heritage of charity, solidarity and self help organizations, but also because it demonstrates throughout a short period of time the changes a society had to go through in its organizational patterns, in order to adjust to changes in the governing system, in demographic structure and in society as a whole.

The research, is based primarily on innovative archival documentation including records from the British district commissioner's office, the Tel Aviv municipality and Israeli police headquarters. In addition to the primary sources, the study also leans upon a variety of existing historical researches, focusing on specific groups within Jewish community in Palestine and thus mentioning organizations and associations affiliated with them.

Contrary to the common research approach on the process leading to Israeli independence, which tends to emphasize the role of proto-state institutions and the domination of Israeli government agencies, this research sheds light on a wide range of independent institutions and associations that existed at the time. The approximate number of associations registered in Palestine under Ottoman and British rule is 5000, most of them were registered by Jewish residents of the country. These institutions were the main tool for providing specific as well as collective needs for the growing community, and thus had a crucial influence on public agenda either through the interaction with foreign rule or with the internal institutional leadership.

After the establishment of the state, the new government wished to take over the responsibility for nation building as a whole. Apparently, this national policy known as the 'statist' policy (Mamlachtiyut), was supposed to replace the role of nonprofit and nongovernmental organizations, but in fact, this did not occur. Israeli citizens kept on forming independent organizations in order to promote issues and supply services that were not met by the state organs. (It is estimated that during the first five years after independence 2500 new organizations were registered – an impressive number per capita even if compared to present rates).

The present study offers a new lens for understanding the process of Jewish nation building, and the various forces affecting the national agenda in construction at the time. It leans on newly discovered archival records and provides a model for further historical researches based on other localities and times.

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**Paper Number:** PA051382

**Paper Title:** Understanding networks: the functions of research policy networks

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**Summary of Research**

Networks have the enormous responsibility to make everything possible. But we have yet to understand what they are and what they can and cannot do. In the literature, a 'Babylonian' variety of network concepts and applications exists. This paper moves away from a prescriptive definition towards a functional description based on what networks can and cannot do. By addressing their functions I consider the characteristics networks need to fulfil their objectives. The result is a practical framework to assess and work with networks. It considers the compatibility of functions as well as the investment requirements to incorporate new ones.

**Description**

Networks is the buzzword of the moment. Phone companies invite us to join their network of customers, banks use their networks to offer us global services, airlines fly us all over the world via their networks of partners, news agencies use networks to keep us informed every minute of the day, and terrorist networks threaten us and our way of life. In the development sector we also talk about networks. They organise civil society to advocate for and implement change; they link the local with the global, the private with the public; and networks provide spaces for the creation, sharing and dissemination of knowledge.

In a way, networks have been given the enormous responsibility to make anything and everything happen. But we have yet to understand what they are and what they can and cannot do. In the development literature a 'babylonian' variety of policy network concepts and applications exist. This has resulted in a failure to reach a common understanding of what they are; nor has it been agreed if policy networks constitute a method of analysis, a simple tool, a proper theory or a metaphor for something else (Borzel 1997).

In fact there is a slight disagreement on some of the most crucial characteristics of networks. For instance, there seems to be consensus that networks are a form of organisation with provides an alternative to the unitary and the multi-dimensional forms (Clark 2003). But, while this had led many to argue that networks are the opposite of hierarchies (Stephenson 2004; Keck and Sikkink 1998), flexible, adaptable and reciprocal (Church 2002; Keck and Sikkink 1998); others consider that although these characteristics are true of some networks, their opposites are also possible.

While networks have become a buzzword in the social sciences, Capra (in McCarthy, Miller and Skidmore 2004), argues that they are not new and that the concept has existed for a long time outside this field: in the 1920s, networks were used to study ecosystems. An important lesson from the study of networks in nature is that these are not necessarily material but functional networks; of relationships between various processes. In social sciences, social networks can be understood in a similar manner: patterns of communications or relationships between social processes and social beings. The organisational structures of knowledge or policy networks (and even business or ICT networks) would then be understood as the institutionalisation of the systems of belief, understandings and values generated by ongoing communication processes. This suggests, ultimately, that networks are but a natural and self-generating representation of society and can be materialised in as many ways as social agents can organise themselves subject to the social, cultural, economic and political parameters of their external environment.

Hence, a definition of networks, even one for policy networks (i.e. networks that engage with policy processes), seems a daunting task.



However, we cannot simply accept this complication, and move on. As development researchers, we depend on relationships (that we sometimes call networks -whether we can accurately understand them or not) to have an impact on policy as well as for gathering the information and knowledge that form the basis of our research. We are aware that our work would improve considerably if we could use and understand networks better. But do we use our own relations and connections to the fullest? And can we use all our networks in the same way? Can we all come together under the same network structures? Does bringing together leading institutions guarantee success –do we know how to work as teams within a network? Do we understand and can we quantify the costs and benefits of joining research and policy networks? How far can our networks extend? Can we exploit or use any network that provides us with access to policymakers or to valuable data and knowledge?

This paper attempts to begin answering some of these questions. I begin by considering the premise that a relationship exists between the functions that networks fulfil and their structure (Creech and Willard 2001) and attempt to develop an analytical and practical framework to compare them. This tool ought to help us to understand and work better with networks. This paper picks up from the work by Perkin and Court (2005); RAPID's first exercise on networks. What this paper is not, however, is a thorough review of the literature nor a collection of case studies. I have focused on studies that provide an insight into this function-form relation and limited the number of case studies to that of useful illustrations.

The structure of the paper tries to link a functional analysis of networks with an organisational appraisal of institutions. In the first section attempts to summarise some of the issues and themes of the networks literature leading to the introduction of a functional classification of networks. I then consider some of the key organisational characteristics of networks to determine a set of criteria:

1. □ Governance: What are the behaviours and processes in place within the network that govern its short and long term functioning?
2. □ Localisation and scope: Where are the network and its members located both physically and thematically?
3. □ Capacity and skill: Does the network and the network members have the capacity and skills necessary to carryout their functions and tasks?
4. □ Resources: Does the network have access to all the inputs necessary for its functioning?
5. □ Membership: Who are the network's members and how are they related to each other?
6. □ Communications: Does the network have appropriate communication strategies to carry out its functions, thus amplifying messages outwardly or sharing messages and information within the institution?
7. □ External environment: What are the external influences affecting the network?
8. □ Strategy and adaptive capacity: Is the network capable of managing changes and shocks in both its internal and external environment? Can it manage those changes on its own or does it depend on others (partners, networks, donors)?

The following section addresses these functional categories in more detail providing some illustrative examples for each in relation to their organisational characteristics. Finally I put forward a set of policy implications (or implications for action) that assess whether networks can fulfil multiple functions and under what conditions.

**Paper Number:** PA051384

**Paper Title:** The European Union's organisation of civil society and the legal challenges for non-profit organizations

**Author(s):**

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### **Summary of Research**

Over the past decade various policy and regulatory initiatives have been launched by the European Union to foster European civil society. In addition, under the European Union regime, the legal sphere has had to adapt to forms of governing that have become more fluid and flexible. This paper considers The European Union's organisation of civil society and the juridical implications, opportunities and dangers of encouraging and attributing civil society roles within the European Union to non-profit organizations.

### **Description**

That there is some value in non-profit organizations as agitators for change and fosterers of civic participation is accepted. As grassroots organizations, non-profit groups are traditionally noted for being at the forefront of need assessment and for being well placed to assess the ramifications of current law and the success or failure of government policy and so to push for change. Non-profit organizations have acted as sole pioneers forcing innovative reforms or, as the state evolved, as a complement to central provision. As the state retrenches there is a greater call upon non-profit organizations to be a cohesive force in society. This is the case not just for UK non-profit organizations at the national level, but also at the European level. Over the past decade, for example, the European Union has launched a number of policy and juridical initiatives which have sought to pull on the cohesiveness of non-profit organizations as agitators for change, delivers of services and policy and as key components of a civil society acting as a buffer between the state and the citizen. These initiatives, however, are not always opportunities for non-profit organizations; they are sometimes threats and dangers to the day-to-day role or broader policy of the non-profit sector.

This paper considers the juridical implications, opportunities and dangers of encouraging and attributing civil society roles within the European Union to non-profit organizations. In so doing it will consider four specific issues:

- (1) It will (briefly) explain the current legal regime and the law's development of the civil society activities of non-profit organisations in the European Union member states, focusing upon political activity;
- (2) It will examine the policy initiatives and the regulatory instruments put forward by the European Union to foster civil society;
- (3) It will examine the tension that arises between the expectations fostered by the European Union and the restrictions placed upon non-profit organizations by the legal regime; and
- (4) It will question whether there is adequate opportunity for and legal protection of civil society roles within the European Union to non-profit organizations.

Place of the Paper in current literature:

Civil society in Europe has been considered broadly and specifically in cross-disciplinary literature

(e.g. in M Walzer (ed) (1998), *Toward a global civil society*, (Providence, Berghahn Books), N Deakin (2001), *In Search of Civil Society*, (Basingstoke, Palgrave).

So too the development of the non-profit sector in Europe

(e.g. particularly but not exclusively by H K Anheier, see in particular Anheier Helmut K.; Mertens, S. (2003) International and European Perspectives on the Nonprofit Sector: Data, Theory, Statistics, in The Nonprofit Sector in a Changing Economy. Edited by Development, Organization for Economic Cooperation pp. 269-292, and Anheier H. K. (2001) Foundations in Europe: A Comparative Perspective, in A. Schlüter, Then, V. & Walkenhorst, P., eds. Foundations in Europe, Directory of Social Change, London).

The development, role and reach of European law have also had an extensive coverage, along with the application of European human rights law.

However, very little attention has been given to a cohesive discussion of all three: that is the juridical implications of non-profit organisations in fostering civil society in the European Union. This paper will begin to address this gap. The primary sources will include Member state and European Union legislation and case law. With regard to the secondary sources, in addition to the scholarship above, this paper will draw together and build upon two specific bodies of literature.

(i) Current reports on the dynamics of the voluntary and charity sector in the European Union and in the UK, including:

Promoting the Role of Voluntary Organisations and Foundations in Europe, Com(97)241.

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(ii) Legal literature on the development of the European regulatory regime for non-profit organizations, including

A Cygan (2003), Protecting the Interests of Civil Society in Community Decision-making – the Limits of Article 230 EC, 52(4) International and Comparative Law Quarterly 995-1012

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**Paper Number:** PA051385

**Paper Title:** How civil society organisations use evidence to influence policy processes: a literature review

**Author(s):**

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### **Summary of Research**

The use of evidence by CSOs in developing countries in their efforts to influence policy processes has received little systematic attention. When, why and how does evidence matter in CSO-policy engagement? The paper will first provide a synthesis of the existing literature. Using a common framework, the paper focuses on three case studies of how CSOs have tried to influence policy process in international development and their use of evidence in the process. The cases are about CSOs and: (i) PRSPs in Tanzania and Bolivia; (ii) budget research and advocacy in South Africa and Ghana; (iii) chronic poverty issues.

### **Description**

Civil Society Organisations, Evidence and Policy Influence in International Development: Paper Proposal for ARNOVA 2005

Julius Court

### **Background**

As 'civil society' has become a buzzword within international development, the role of 'civil society organisations' (CSOs) to act as a force to reduce poverty, promote democracy and achieve sustainable development has been subject to a number of major studies. One area that has received little systematic attention concerns the use of evidence by CSOs. Does evidence matter to CSO work? If so, how, when and why? Can evidence improve the legitimacy and effectiveness of CSOs? How can CSOs translate expertise and grassroots experience into credible evidence for policy processes. How can evidence help CSOs generate effective development strategies?

The paper will provide a synthesis of the literature on these topics, assess the relevance of much of the literature for developing countries and report on findings of 3 case studies. The literature review is complete as are first drafts of the 3 case studies – all are part of an ongoing project at ODI. In contrast to much of the literature which takes CSOs as the starting point for analysis, the paper takes policy processes (agenda setting, policy formulation, implementation and monitoring and evaluation) as the starting point and examines how CSOs influence them – and how they use evidence in the process. The hypothesis is that improving the use of evidence may be a useful way to generate effective strategies and have enhanced policy influence (as well as address related critical questions and challenges facing CSOs today, namely legitimacy and accountability).

The paper very much relates to the theme of the conference – namely on “Linking Research, Practice and Policy” – but is focused on the international development sector. This is important. While there is a much richer literature from OECD countries, very little relevant academic work on topic of “CSOs, Evidence and Policy Influence” exists in the international development sector. Making sense of these issues in developing countries is no small challenge: the massive diversity of cultural, economic and political contexts makes it especially difficult to draw valid generalizations and lessons from existing experience and theory. In addition, international actors have an exaggerated impact on research and policy processes in several countries in the South.

More on ODI's RAPID Programme looking at research-policy links can be seen at: <http://www.odi.org.uk/RAPID/>

More on ODI's Civil Society Partnership Programme can be seen at:  
<http://www.odi.org.uk/cspp/>

## Rough Paper Structure

After an introduction, there would be four main sections:

(i) □ Literature Synthesis – This section would provide a synthesis of the existing literature on CSOs, Evidence and Policy Influence and the way CSOs in international development use evidence in their work. It would also touch on how knowledge was treated by classic thinkers on civil society – from Aristotle, Hobbes and Locke, through Rousseau, de Tocqueville and Gellner.

(ii) □ Framework – Based on a recent book, the paper will provide a framework for analysing the factors behind CSOs impact on policy and the place of evidence. It focuses on: the political context, the links (the ways CSOs tried to affect policy change evidence), the evidence and international factors.

(iii) □ Case Studies – This section would look present the summary findings of three case studies focusing on how CSOs have tried to influence policy process in international development and their use of evidence in the process. The cases are:

a. □ How CSOs have contributed to the formulation phase of the full Poverty Reduction Strategy Papers (PRSPs) in Tanzania and Bolivia. It would comment on the nature of the process and the impact of CSOs on the PRSP document, focusing on the use of evidence in their engagement.

b. □ As CSOs increasingly realize the importance of budgets for pro-poor outcomes, CSOs have increasingly carried out budget research and budget advocacy. This case focuses on the impact – and relative importance of evidence – of budget watch organizations in South Africa and Ghana.

c. □ This case would focus on how researchers involved in the Chronic Poverty Research Centre programme have been able to raise issues surrounding chronic poverty in domestic policy debates – in India, Bangladesh, Uganda and South Africa.

(iv) □ Discussion – Returning to the hypothesis: what do the cases tell us about the use of evidence in policy processes in developing countries? How do the cases reflect the key issues identified in the literature on CSOs and policy influence (and also the related issues of legitimacy and accountability)? In what ways do contexts in developing countries affect discussions of CSOs, evidence and policy influence? What does this mean for the interaction of researchers and CSO actors in international development?

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#### About the Author

Julius Court is a Research Fellow at the Overseas Development Institute (ODI) in London, UK. He is currently involved in research, advisory work and training on issues of bridging research and policy; civil society and policy influence; and governance and development. Recent books and reports include: *Bridging Research and Policy in International Development: Evidence and the Change Process* (ITDG, 2005); *Making Sense of Governance: Empirical Evidence from 16 Developing Countries* (Lynne Rienner, 2004); and *Asia and Africa in the Global Economy* (UNU Press, 2003)). He was a contributor to the UNDP Human Development Report 2002 on *Strengthening Democracy in a Fragmented World*.

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**Paper Number:** PA051388

**Paper Title:** Field Experiments in Nonprofit Marketing: The Impact of Social Information

**Author(s):**

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**Summary of Research**

We study the effect of social information in nonprofit marketing. Field experiments I and Ia demonstrate the existence of the effect in public radio on-air fund drives. Field experiment II shows that the more similar the source of the social information and the target, the stronger the effect. Laboratory experiment III shows that social information does not influence donor behavior by influencing their self-evaluation, as would be suggested by social comparison theory. Instead, as laboratory experiment IV demonstrates, social information changes donors' perception about what other donors do. We find that these perceptions fully mediate the effect of social information.

**Description**

Over the past century, nonprofit organizations have become the third largest economic sector after government and for-profit-firms (Salamon, 2002). This paper examines the impact of social information in the nonprofit marketing. Social information has been shown to influence behavior in for-profit contexts involving private (although perhaps observable) consumption. However we are the first to examine its impact in public consumption.

We demonstrate the existence of the effect of social information on the amount of contribution using field experiments in public radio fundraising (experiment I, Ia and II). Our first two field experiments show that knowledge of a single other's contribution can affect the target's contribution level (Experiments I and Ia). These experiments were run during regular public radio on-air fund drives, where the station DJs interspersed music with appeals for donations. Listeners responded to the on-air appeals during the drive and called the station to make a pledge. Experimenters answered the phone as volunteers for the station, asked the routine questions for the station and implemented the experimental and control treatments in the appropriate place in the conversation.

In particular, after answering the phone with the station's identifier: "Hello, STATION\_NAME member line", experimenters asked: "Are you a new member or a renewing member of STATION-NAME?" After the caller answered, experimenters read (or did not read in the control condition) the following sentence: "We just had another member, they contributed \$300." The question asked right after the manipulation was: "How much would you like to pledge today?" The dependent measure, the pledge amount, was then collected.

We find that the average contribution is significantly higher in the \$300 condition (\$119.70) than in the control condition (\$106.72). This is a \$13 difference, and would translate into a 12% increase in revenue for the station had all callers been offered the social information. Similar results were replicated in a different public radio station on the west coast using similar method (Ia). Donors on average again contribute significantly more in the social information condition (\$65.4) than in the control condition (\$95.34). This represents an extra \$30 per donor, or a potential extra 45.78% of revenue for the station.

In Experiment II, we show that this effect differs with the social similarity between the source of the information and the target donor. Here we tell callers the gender of the other contributor "s/he contributed \$300." Same-gender donors are more responsive to the social information than different-gender donors; matched gender donors (\$141.88) give significantly more than mismatched gender donors (\$105.7). This result compellingly argues that the social nature of the information is critical. According to social comparison theory (Festinger, 1954), the reason that social information influences behavior is because it changes self-evaluation. Information that others have contributed more than the donor threatens self-esteem; donors then contribute more to repair it. We used a scenario study in Experiment III, where undergraduate students read about a public radio station to which they had contributed and either high or low social information was provided. Rosenberg's (1965) ten-item self-

esteem scale was then measured. We found that high social information generates significantly higher contribution (\$31.6) than low social information (\$23.71), however, self-esteem does not vary with the type of social information, nor does it mediate the level of contribution.

Instead, conformity to social norms (Crutchfield, 1954) seems to be the mechanism through which social information influences contribution behavior. It suggests that social information changes donors' perception of what others do and that these perceptions affect behavior. We use a second scenario study where we ask participants to estimate the average contribution of other donors. We found that high social information generates significantly higher contributions (\$17.05) than low social information (\$10.62). In addition, we found that participants' beliefs about the contribution of others are significantly higher in the high (\$19.531) than in the low social information condition (\$12.086). This difference in beliefs fully mediates the effect of social information on behavior.

Our results demonstrate the influence of social information in a nonprofit marketing setting. The effect has the potential to increase revenue as much as 45.78%. The demonstration of these effects in an actual fundraising environment, especially an environment outside of University alumni giving, makes this research easily accessible to not only academic researcher, but also practitioners.

In addition, this research makes a theoretical contribution by investigating the mechanism through which the effect operates. Social information shifts not donor's evaluations about themselves, but their perceptions of others. This shifted perception gives them a new social norm to which they can conform. Like all research, this project has limitations. For example, the effect of social information, or the mechanism through which such information operates, may be different in situations where the goal is to signal uniqueness or high status. Future research is needed to investigate the generalizability of this effect and its mechanisms in other nonprofit and for-profit marketing environments.

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**Paper Number:** PA051390

**Paper Title:** Estimating Charitable Bequests from Estates for Giving USA

**Author(s):**

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**Summary of Research**

Giving USA estimates charitable bequests primarily using federal estate tax return data. Recent changes in estate tax law raised the filing threshold and lowered the marginal tax rates. There is possibility that the federal estate tax will be eliminated. Many authors (Joulfaian; Gale & Bakija; McClelland and Greene) estimate that these changes will reduce charitable bequests. With fewer estate tax returns and predicted declines in bequest giving, Giving USA has explored new methods for estimating bequests gifts. The paper presents three approaches: Giving USA's current method and two alternatives. The paper describes the methods, and presents and evaluates the estimates.

**Description**

Estimating Charitable Bequests from Estates for Giving USA

Beginning with data for 1954, the American Association of Fundraising Counsel (AAFRC) and its educational arm, the AAFRC Trust for Philanthropy, has published Giving USA, which includes estimates of charitable contributions made in the United States by individuals, foundations, and corporations. Gifts from individuals are made in life (and often taken as itemized deductions on income tax returns) and after death through bequests made in estate plans. In a typical year since 2000, Giving USA has estimated that living individuals contributed 75 percent of total charitable gifts and that estates have contributed about 7 or 8 percent, with institutional donors donating the balance.

The estimating procedure used for estate contributions relies extensively on amounts claimed by estate tax returns as deductions for charitable contributions. Giving USA supplements the tax return data with an estimate of giving by estates that fall below the tax filing threshold.

The non-filer estimating procedure currently relies extensively on estimates of :

- The percentage of estates below the federal filing threshold that leave bequest gifts and
- The average size of such gifts or the average amount left by those estates that make bequest gifts (most estates reportedly make more one bequest).

The data sources used for these estimates are, at best, open to interpretation. At present, the estimate for bequest gifts from estates below the filing threshold is \$1.7 billion, only 7.8 percent of the preliminary estimate of total estimated bequest giving for 2003 of \$21.60 billion. Expert opinion is divided on whether these estimates are too large or too small.

As estate tax filing threshold began increasing and tax rates began decreasing, a number of authors (Gale & Bakija; McClelland and Greene) predict declining contributions from bequest gifts. As the amount of estate tax data declines toward zero, , it will not be able to provide estimates of charitable bequests. Therefore, Giving USA is exploring new methods to compare with its current method over time, preferably during an overlap period during which estate tax data are still available.

In addition to its current method, two other approaches to estimating bequest giving have recently been evaluated by Giving USA staff, with the guidance of estate planning professionals affiliated with the

National Committee for Planned Giving and scholars affiliated with the U.S. Treasury, the Boston College Center on Wealth and Philanthropy, and the Center on Philanthropy at Indiana University. Each of the alternatives examined yield an estimate of total estate giving that is fairly close, statistically speaking, to the Giving USA estimates.

One alternative method for estimating bequest receipts relies on bequest receipt information provided by the 1500 or more nonprofit organizations responding to the Giving USA survey each year. The estimate based on those data is augmented by charitable bequests to foundations and to religious organizations found in the estate tax return data for the same year. Giving USA does not survey foundations or religious congregations on an annual basis. In time, as estate tax data are restricted to fewer and fewer estates or eliminated entirely if the estate tax is permanently repealed, this survey-based alternative may replace the current method.

A second alternative method has also been developed. It is based on number of deaths in the prior year of people aged 55 and above (who are most likely to have made wills and to have bequest gifts in their estate plans). This method requires assumptions that could, with further research and field studies, be refined and tested.

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**Paper Number:** PA051391

**Paper Title:** Indexing Giving: Examining State-level Data about Itemized Charitable Deductions Using Known Determinants of Giving

**Author(s):**

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**Summary of Research**

Average itemized charitable deductions by state are widely used as a measure of giving yet grossly misstate 'generosity.' Extending a model initially developed by Ross Gittell, this work finds that when considering state-level measures for of economic and social factors determinant of individual giving at the micro-level, six of the 20 states said to be most generous on the popular "generosity index" have average itemized contributions at least 5 percent LOWER than predicted. Nine states in the bottom 20 on the "generosity index" have average itemized giving at or above the predicted levels.

**Description**

The problem or issue to be addressed

Since 1997, a "Generosity Index" (GI) has been issued by The Catalog of Philanthropy. The GI ranks states based on itemized charitable deductions claimed by tax filers, using a simple calculation that takes the difference between each state's rank when states are ordered highest to lowest for Average Adjusted Gross Income and each state's rank for Average Itemized Charitable Contribution. In this formulation, Mississippi ranks as the "most generous state" year to year and states in New England are typically at the bottom.

While this approach takes some account of income differences in states, it does not take into account other factors that might influence the average amount claimed as an itemized charitable deduction. For example whether a tax filer itemizes any deductions at all varies systematically by region and remains fairly stable over time (Izraeli and Kellman, Clotfelter and Feenberg). The GI formulation also ignores economic and demographic characteristics known to be linked to giving at the individual level and that can be incorporated into a model using state averages, medians, or percentages, such as income (Auten, Clotfelter and Schmalbeck), education (Brown, E.), religious affiliation (Hoge, Wilhelm & Steinberg, R.), and age (Wilhelm & Steinberg, R.). It further does not take into account state "culture," some of which can be represented with macro-level variables and has been found to be linked to giving (Bielefeld, Rooney, and Steinberg, K.)

The topic's relation to the state of knowledge in the field (including relevant literature)

Using state-level economic data and social data, Ross Gittell and Edinaldo Tebaldi (2004) of the University of New Hampshire examined differences in itemized deductions claimed by tax filers in different states. Their model incorporated percentage of tax returns with any itemizations at all, aggregate personal income at the state level, net capital gains income, volunteer rates at the state level, and religious affiliation (percentage each Protestant, Catholic, Other).

This paper extends Gittell's model by using slightly different measures of the economic and social variables, incorporates a few new variables, and presents a "generosity index" based on the "gap" between a state's predicted average itemized deduction per return with a deduction and actual average itemized deduction from the IRS records.

The approach you will take (including data sources)

This project will use regression analyses to predict “average itemized charitable deduction” for each of the 50 states and the District of Columbia. Independent variables will include:

- □ Adjusted gross income at the state level based on IRS data, following Deb., Wilhelm, Rooney & Brown;
- □ Percentage of AGI derived from investment income, using IRS state-level data and theoretically based on findings by Deb et al. about the role of the stock market in estimating individual itemized deductions ahead of IRS data availability and on Eaton & Milkman, who found that capital gains tax rates influence level of non-cash contributions;
- □ Percentage of population that is Catholic, following findings from Steinberg & Wilhelm and Hoge et al. that Catholic households, in general, donate less;
- □ Percentage of population, based on Census Bureau data, that is African-American, building on work done by Steinberg and Wilhem, who found that, controlled for all other factors, African-American households contributed more than households of other races, but the difference was not statistically significant.
- □ Variables identified by Bielefeld, Rooney, and Steinberg, K. as potential “environmental” influences on giving, including the United Way “State of Caring Index” for the state, and political party of elected legislators.

The contribution to the field your work will make

In this reformulation of an index of generosity, presented first for a practitioner audience through a Giving USA Update, Wyoming is the most generous state, with an average itemized charitable deduction 67 percent more than predicted. Other generous states include Tennessee, Oregon, Idaho, New York, and New Mexico.

In general, states in the South—often said to be generous because of religious beliefs—showed itemized giving near or somewhat below the predicted values. For example, Mississippi tax returns with itemized gifts claim 6 percent LESS than is predicted. Some Northeastern states give near potential, including Rhode Island, Connecticut, and Massachusetts, yet the three states New England, however, give between 19 and 23 percent below predicted potential.

The evaluation of generosity based on economic capacity and other determinants of giving provides a more realistic approach for examining differences across states or regions and for determining “baseline” information against which future changes can be evaluated. With public policy proposals such as the CARE Act and related legislation and private initiatives underway, such as the work of the New Ventures in Philanthropy group, understanding ways to measure giving will be vital to determining the success of efforts to increase giving.

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**Paper Number:** PA051392

**Paper Title:** The Necessity of Public/Private Partnerships for Comprehensive Community Initiatives in Indian Country

**Author(s):**

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**Summary of Research**

Using evaluation data from the U.S. Department of Justice's Comprehensive Indian Resources for Community and Law Enforcement initiative, this paper argues that public/private partnerships may be critical to the success of comprehensive community initiatives in Indian Country. As elsewhere, such partnerships lead to longer-term funding, strengthen local capacity, leverage informal community resources, and improve results-based accountability. In Indian Country, where change efforts too often founder on short federal funding time horizons, externally dictated change agendas, and a lack of engagement with culturally embedded institutions, public/private partnerships are likely the key means for overcoming these barriers and generating comprehensive community change.

**Description**

For several centuries, most American Indian communities have been relatively impoverished by comparison to the rest of America (Taylor and Kalt 2005). Moreover, because of colonialism, many tribal communities function under illegitimate governments, a situation that has led to community disengagement and socio-economic dysfunction (Cornell and Kalt 1992 and 1998). This situation signals that Native America is ripe for comprehensive community change initiatives – packages of “system change” tools and opportunities (preferential access to selected program resources, waivers of categorical program mandates, relaxation of restricted funding streams, etc.) offered by partner governments or other institutions in exchange for local efforts to reform and strengthen health, social service, and justice systems.

The Comprehensive Indian Resources for Community and Law Enforcement (CIRCLE) Project was one such effort funded by the U.S. Department of Justice at three tribal sites (the Northern Cheyenne Tribe, Oglala Sioux Tribe, and the Pueblo of Zuni) from 1999-2002. Like comprehensive community initiatives outside Indian Country, CIRCLE's success depended on collaborative planning, strong commitments to institutional reform, and increased attention to evaluation and performance accountability (Brimley et al. 2005). Yet a variety of Indian Country-specific characteristics, as well as the nature of federal-tribal relationships, make it difficult to achieve these mission critical components of the community change process. For example, evaluation research on CIRCLE finds that (among other things):

\* The federal government's short time horizon for CIRCLE forced the demonstration communities to skip intensive, community-based processes of assessment and planning, which decreased grassroots buy-in, increased distrust of federal partners, and made ongoing assessment and performance-based accountability difficult.

\* The federal government's short time horizon also reflected an implicit assumption that colonial institutions could be disassembled and be replaced by culturally appropriate and functional systems in three years' time, an assumption which promoted a sense of “failure” when the funding expired and discouraged ongoing reform efforts.

\* Restrictions on the use of federal funds discouraged local actors from explicitly engaging many informal, culturally oriented, traditional community resources (religious societies, traditionally grounded but fledgling nonprofit organizations, cultural leaders, etc.) in the change effort, which decreased the resources available for change and minimized collaboration.

This paper argues that many of these hurdles could have been overcome through public/private

partnerships. In particular, evidence from the CIRCLE evaluation demonstrates the critical role of private foundation investments and nonprofit organizations in complementing public sector investments; building the capacity of local change agents; leveraging informal community resources to improve outcomes for children, youth, and families; and supporting the creation of feedback loops between data gathering, results-based community accountability, and technical assistance that ultimately lead to comprehensive system and community change. Certainly, similar arguments can be and have been made about non-Native settings (Annie E. Casey Foundation 1997, Auspos and Kubisch 2004, Dewar n.d., Hahn 2001). Yet the point remains – and this paper provides specific indicative evidence from the CIRCLE evaluation that supports the argument – that the particular barriers present in Indian Country make public/private partnerships necessary for successful comprehensive tribal community initiatives.

A final observation is actually a set of questions: If such partnerships are necessary for comprehensive community efforts to succeed in Indian Country, how is it appropriate for the federal government to unilaterally initiate such projects? What obligations do relevant nonprofit organizations and private foundations have to lend their support either after (or before) such investments are made?

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**Paper Number:** PA051393

**Paper Title:** The Challenges of Accountability: Faith-Based NGOs in International Development

**Author(s):**

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**Summary of Research**

Like other NGOs they operate in an environment where action is shaped by four broad sets of factors: their relationship to state- and donor-dominated aid system, their position in an international "market" in which charitable organizations compete for attention and generosity; the shared values, identity and institutional connections to a social, ethnic, or religious group; and, in the case of faith-based NGOs, their expected role in education and spiritual formation of members of the religious tradition.

**Description**

The importance of national and local faith-related community organizations, church bodies and worshipping communities is increasingly recognized. These organizations are subject to many of the accountability concerns discussed here and in the literature on NGO accountability more broadly. But international NGOs in the faith communities play a particular role, linking individuals, local worshipping communities and national religious organizations across gaps of distance, culture and imagination.

This paper explores contemporary theory and practice of accountability to faith-based NGOs, particularly those based in the industrial countries and working in the international arena. Like other NGOs they operate in an environment where action is shaped by four broad sets of factors: their relationship to state- and donor-dominated aid system, their position in an international "market" in which charitable organizations compete for attention and generosity; the shared values, identity and institutional connections to a social, ethnic, or religious group; and, in the case of faith-based NGOs, their expected role in education and spiritual formation of members of the religious tradition.

The paper analyzes the factors that condition the nature of accountability relationships for NGOs in international development, and develops a dynamic framework through which to analyze changes in the accountability relationships involving an NGO. The framework is then applied to the practice and structures of four prominent faith-based international development NGOs, identifying common characteristics in their accountability relationships, and drawing lessons for the broader issue of accountability among institutions in international development.



**Paper Number:** PA051394

**Paper Title:** The role of stakeholder participation in not-for-profit companies: A UK perspective

**Author(s):**

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**Summary of Research**

Like their commercial for-profit counterparts, not-for-profit organizations have relationships with beneficiaries that extend beyond their members. Taking a legal perspective, this paper examines the role of beneficiaries, focusing upon stakeholder participation in not-for-profit companies as a governance issue within the UK legal regime. This paper considers whether the rights that members enjoy to participate in the organization extend to a broader group and whether participatory rights enable stakeholders to have democratic engagement in not-for-profit organizations

**Description**

In examining the participatory role of stakeholders in not-for-profit companies, this paper will focus upon the following issues:

(1) The primary issue concerns the identification of a not-for-profit's (non-member) beneficiaries. By what criteria should the category of beneficiary be defined? Particularly problematic here is the inclusion of future 'potential' beneficiaries, and those who might be regarded as mere 'market consumers' of a not-for-profit's activities.

(2) Once we acknowledge a multiplicity of beneficiaries with competing and conflicting interests, how are those interests to be weighed?

(3) A third issue concerns the appropriate rights of participation of beneficiaries. Should beneficiaries be entitled to participation in the affairs of the organization, in the way that members of for-profits enjoy? And if so, is such participation appropriate because it is, say, democratic, or because it is instrumentally valuable in terms of ensuring appropriate accountability from those managing the organisation's affairs? Or should participation to beneficiaries be denied, assuming a more paternalistic approach in which beneficiaries are entitled to have their interests pursued, but not their voices heard?

(4) Finally, we will explore the duties of beneficiaries. If beneficiaries do enjoy rights of participation within the organisation, are there any corresponding duties upon them – say to act so as to respect the competing rights of others, or of the company itself?

Place of the Paper in current literature:

This paper will build upon the following general stakeholder literature, lending to it a not-for-profit analysis:

Literature on membership and participation:

1. Literature taking a critical view of the merits of member participation in for-profit companies:

Roberta Romano, *Less Is More: Making Shareholder Activism A Valued Mechanism Of Corporate Governance*, Yale Law & Economics Research Paper No. 241; and Yale ICF Working Paper No. 00-10; Yale SOM Working Paper No. ICF - 00-10

2 Literature investigating employee participation in for-profit companies:

Eg. Roe and Blair, *Employees and Corporate Governance* (The Brookings Institution, 1999)

3. Literature examining more broadly the merits of stakeholding, both within and without the corporate sector:

Keith Dowding, Jurgen De Wispelaere, Stuart White, *The Ethics of Stakeholding* (Basingstoke, Palgrave Macmillan, December 2003)

J Plender, *A stake in the future: The stakeholding solution* (London, Nicholas Brealey 1997)

G Kelly & J Parkinson, *The Conceptual Foundations of the Company: A Pluralist approach* (1998) 2  
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**Paper Number:** PA051395

**Paper Title:** Philanthropy and Public Policy: What It Takes to Work Together to Make A Difference

**Author(s):**

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**Summary of Research**

This paper presents the results of a field study, involving nearly fifty foundation professionals, nonprofit leaders and policymakers of how philanthropy and the public sector can work more effectively to address public problems. The study compares perceptions of philanthropy actors and policy actors of each other, identifies factors that promote and inhibit effective philanthropy-public partnerships and develops recommendations for fostering and improving partnerships for sound policy initiatives.

**Description**

PHILANTHROPY AND PUBLIC POLICY: WHAT IT TAKES TO WORK TOGETHER TO MAKE A DIFFERENCE

□ This paper presents the results of a field study, involving nearly fifty foundation professionals, nonprofit leaders, and public policymakers, of how philanthropy and the public sector can work more effectively to address public problems. The study took place within a state in the Upper Midwest that has a long tradition of civic engagement by corporate leaders, philanthropic institutions, and individual donors in addressing major community concerns and public policies (Pratt, 1999). Many, including those involved in public policy at local and state levels, feel currently that partnerships between the philanthropic and public sectors are less productive and less frequent than in the past and as a result many complex public problems persist.

□ A long and well-documented history exists of interrelationships among philanthropists, philanthropic institutions, and public policy at local, regional, national and international levels of philanthropy (see, for example, Brilliant, 2000; Chernow, 1998, 2001; Lagemann, 1989; Smith, 1999; Tirman, 2000). The relationship can be characterized at certain times as a partnership for public problem-solving and, at other times, as highly conflictual, driven by public suspicion of how private, accumulated wealth is used (Karl & Karl, 1999). Currently, the role of philanthropic institutions in public policy matters may be especially important because of continuing government retrenchment and perceptions that, despite efforts by government and philanthropy, “wicked” problems remain in fundamental areas, such as public education, access to health care, and growing income disparity. As Ferris (2003) points out, there may be increasing opportunities for more active philanthropic involvement in public policy because of devolution of government responsibilities to local and state levels, simplifying philanthropy’s access to major policy actors and to all stages of the policy process.

□ The focus of this project is to examine explicitly cross-sector relationships between philanthropic institutions and the public sector with the following objectives:

1. □ To compare the perceptions of philanthropy actors and policymakers regarding the strengths of each in public problem-solving;
2. □ To elicit participants’ identification of the most effective philanthropy-public sector partnerships and analyze these examples to identify the most salient factors that contributed to effectiveness;
3. □ To determine what internal/organizational and external/environmental factors inhibit philanthropy and the public sector from working together; and,
4. □ To develop recommendations for fostering and improving partnerships for creative and fruitful public policy efforts.

□The project was undertaken by a Philanthropy Fellow at (name of academic institution) with faculty support. Using a semi-structured format, the Fellow conducted thirty-two face-to-face interviews, with leaders in the state's nonprofit and philanthropic communities and with high level elected public officials, public managers and policymakers. The Fellow conducted an additional sixteen interviews during the design phase of the project, and data from these interviews were included in the analysis where appropriate. The Fellow and faculty conducted an initial analysis of interview material to determine major common and divergent themes across all interviews. A more refined analysis is in progress to develop additional themes among specific types of interviewees. Findings from the initial analysis include the following:

- Interviewees described the primary assets that philanthropy brings to partnerships as flexibility, expertise, knowledge and vision. Many also included financial resources, but this asset was not the most frequently mentioned. Similar to research conducted by the Center on Philanthropy and Public Policy at USC (Ferris, 2003), interviewees stated that philanthropy has a large tool box from which to address public policy concerns and problems. On the other hand, interviewees stated that the public sector's ability to sustain initiatives is its greatest strength in a philanthropy-public sector partnership. They clearly stated that the public sector has tremendous power to institute long-term change.
- Key factors for initiating successful cross-sector engagement are leadership, having the right people at the table, crafting a shared vision and holding a belief that something positive can happen. These factors align closely with what the academic literature states as required elements for successful partnerships (see, for example, Gray, 1989.)
- There is a clear need for both the philanthropy and public sectors to gain more experience and familiarity with each other. Interviewees emphasized that relationships develop between people, not institutions, and thus trust and respect are critical. Many also stated that these partnerships are risky and require constant attention. This finding is also in line with research conducted by Ferris and colleagues, cited above.

□The paper proposed for the 2005 ARNOVA conference will further refine these initial findings and present concrete recommendations for fostering and improving partnerships between philanthropy and the public sector to support more effective policy making and public problem-solving. A major contribution of this research is documenting the insights and reflections from nearly fifty individuals who have direct experience working across institutional and sectoral boundaries to solve public problems and influence public policy.

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**Paper Number:** PA051396

**Paper Title:** Free/Open Source Software as a weapon of denunciation: Technology and organizational form as expressions of ideology among nonprofits

**Author(s):**

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**Summary of Research**

**Description**

**Paper Number:** PA051398

**Paper Title:** The Business of Human Tissue Transplantation: A Nonprofit & Tax-Exempt Law Perspective

**Author(s):**

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### **Summary of Research**

This paper examines the U.S. tissue transplantation system and the relationship between nonprofit tissue procurers and for-profit tissue processors. This relationship is disturbing because (a) nonprofit procurers must transfer recovered tissue to processors at cost; (b) whereas for-profit processors are effectively free to charge the market price for their tissue-based products. This arrangement, I argue, effectively diverts charitable assets – i.e., the full value of donated tissue – into private hands for private benefit, which violates core nonprofit law principles. Nonprofit procurers, I argue, should be permitted to recapture the diverted surplus and use it to advance their charitable missions.

### **Description**

The U.S. system for transplanting human tissue reflects an uneasy compromise between the desire to infuse the process with altruism, and the recognition that unless some money changes hands along the way, no transplantations will occur. The National Organ Transplant Act (NOTA), the system's statutory charter, enacts the altruistic vision by prohibiting the transfer of human organs and tissues "for valuable consideration for use in human transplantation." This vision is also reflected in the prominent role that nonprofit organ procurement organizations – often seen as the institutional embodiments of altruism -- play in procuring body parts. Only nonprofit entities can lawfully procure solid organs such as hearts, kidneys, and livers. Most organizations that procure bone, skin, and other non-organ tissues (specifically, tissue procurement organizations) are also nonprofits, but this is not required. At the same time, the tissue transplantation system makes some concessions to economic realities. Most notably, NOTA expressly permits "reasonable payments associated with the removal, transportation, implantation, processing, preservation, quality control, and storage" of body parts intended for transplantation.

Whereas solid organs undergo relatively little change in their journey from donor to recipient, tissues are more readily manipulated to increase their therapeutic value. In recent years, especially following the successful sequencing of the human genome, scientists have increased their ability to add value to human tissues, and the number of for-profit companies exploiting this technology has grown dramatically. These companies obtain most of their tissue from nonprofit tissue banks. Critically, a tissue bank's supply depends upon the next-of-kin's generosity towards strangers and trust in the tissue bank. Most next-of-kin would probably shudder to learn that their loved ones' remains may yield profits for biotech companies and their investors. By its very success, therefore, the industry for transplantable tissue has increased the tension between the transplantation system's altruistic ideals and the economic realities of the market, thereby casting doubt upon its coherence and viability.

This paper will examine the tissue procurement system in light of recent developments, and focus on the interactions between nonprofit and for-profit institutional actors. It aims to explain and evaluate the system from the standpoint of nonprofit organizations law and theory. This approach is appropriate, I argue, because tissue donations are functionally indistinguishable in many respects from conventional charitable gifts. Most importantly, this approach is instructive in two significant respects. First, it helps explain the coexistence of nonprofit and for-profit entities in the industry. Given the choice, most next-of-kin would prefer to donate tissue to nonprofit organizations, which they perceive as more likely to allocate tissue based upon medical/therapeutic need, instead of ability and willingness to pay. At the same time, for-profit firms typically have more resources to maximize the therapeutic value of donated tissue. The current system thus permits for-profits to acquire and then dedicate donated tissues to higher-value uses, but without having to approach next-of-kin directly. Second, a nonprofit law approach sheds light on the drawbacks of the current regulatory regime. NOTA limits what nonprofit

tissue procurement organizations can charge for-profits, even if this fee is less than what the for-profits would pay. In this way, NOTA effectively diverts charitable assets – namely, the full value of donated tissue – into private hands and for private benefit. This result violates core nonprofit law principles. A nonprofit law approach, I argue, would permit the nonprofit tissue procurement organizations to recapture the diverted surplus and use it to advance their charitable missions.

**Paper Number:** PA051402

**Paper Title:** Nonprofit Capacity-Building Orientation:

**Author(s):**

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**Summary of Research**

Scholarship on nonprofit capacity building and improvement drivers has centered on theories that relate to organizational action, structure, form, and external environments. Less well explored are the discretionary/internal mechanisms that drive boards and key personnel to pursue capacity building as ongoing, integrated, and systematic processes of organizational change. Organizational learning theory (OL) provides such insight. Utilizing a sample of 208 nonprofits, focus group data, documents analysis, and interview data from 38 capacity building professionals and funders, this paper fills a significant gap by contributing a comprehensive, empirical understanding of the links among organizational orientation, OL organizational culture, and capacity building.

**Description**

In recent decades, nonprofits have come under increasing pressure to improve. Engagement in nonprofit capacity-building activities is a natural outcome of such improvement drivers. Prominent frameworks for studying drivers for organizational and performance improvement in nonprofit organizations have centered primarily on theories that relate to organizational action, structure or form, and environments, such as institutional and resource dependence theory. Such theories are particularly useful to understanding externally driven mechanisms for improvement, such as opportunities or pressures from funders, policymakers, or other key constituents.

What have been less well explored are the discretionary or internal mechanisms that drive and motivate boards, managers, and key staff to pursue capacity-building as ongoing, integrated, and systematic processes of organizational change. Organizational learning theory (OL) provides such insight. Using the OL framework, this paper contributes a comprehensive, empirical understanding of the links between organizational orientation, aspects of an OL organizational culture, and successful capacity building. This paper also provides insights into both the characteristics of a “capacity-building orientation” and the organizational change and learning processes associated with capacity-building interventions.

Results from this mixed-method study capture the diversity of the sector and the continuum of support services offered to a variety of nonprofit organizations and their governing boards.

Utilizing a representative sample of 208 nonprofit organizations situated in a complex metropolitan area, focus group data from interviews with a cross-section of nonprofit executives, document analysis and in-depth interviews with 34 capacity building professionals (consultants, management support organizations, and academic centers) and 4 funders, the study answers the following research questions:

- What is the relationship between capacity building, organizational learning, and long-term sustainable change?
- What are the aspects of an organizational orientation toward learning? How does this learning orientation relate to effective capacity building?
- What is the role of leadership in this learning orientation? Does leadership moderate capacity building?
- What are the implications for nonprofit managers, funders, and the capacity-building industry in consideration of an organizational learning orientation to capacity building?

Our findings address substantial gaps in both the policy-oriented and academic literature by providing a comprehensive, empirically derived understanding about the link between capacity building, organizational learning, and organizational change. Such findings will provide useful insights for nonprofit managers and boards seeking to better integrate capacity-building into their own performance agendas. The paper has implications for funders and other policy-makers to better understand performance imperatives in the context of a capacity building orientation linked to organizational



learning. Because OL has been criticized as operating as more of a management concept than as an empirically supported theory, this research breaks new empirical ground and also sets forth a future research agenda necessary to further explore and measure the proposed relationship between organizational orientation, OL culture, and successful capacity building.

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**Paper Number:** PA051403

**Paper Title:** Managing Uncertainty: Nonprofit Responses to a Changing Environment, 1998-2003

**Author(s):**

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**Summary of Research**

In this paper, we propose an empirical investigation into the effect of shifts in the funding environment of nonprofit organizations in the context of the recent economic downturn. We combine data from interviews with the leaders of 200 randomly selected operating charities in the San Francisco Bay Area with financial data from the organizations' IRS forms 990. We discuss the effects of the economic downturn across different types of organizations and develop a typology of the strategic responses developed by nonprofits to meet the challenges in a changing funding environment.

**Description**

"Our largest donor has reduced their donation from \$7,000 to \$2,500. Our second largest donor has reduced her donation from \$6,000 to zero. The California Arts Council has essentially been eliminated. It no longer gives grants, so we're losing \$4,000 a year that we would have had. Our award from "San Francisco Grants for the Arts," because of the economic downturn has been reduced from about \$15,000 to about \$10,000. We believe other donors are reducing their donations, but we can't quantify it so easily." – San Francisco Arts Organization

**Motivation**

After the stock market crash of 2000, also known as the "burst of the high-tech bubble", news coverage in the San Francisco Bay Area was filled with tales of high-tech organizations struggling for survival, employees being laid off, and investor panic. The effect of the downturn was especially felt in this region where the high-technology industry is the main source of business revenues. The rhetoric in Silicon Valley was one of a sudden turn from a bustling, entrepreneurial region to a "dot-com wasteland". The economic indicators of the Bay Area followed the all-time highs and lows of the Nasdaq stock market index, reaching unprecedented highs and then lows in record time. The resulting fall in employment resulted in the biggest job losses a metropolitan area had endured in such a short time since the Great Depression (Pender, 2005).

While subject to much speculation and anecdotes of struggle and survival, there has been little empirical academic investigation on the effect of the economic downturn on nonprofit organizations. Since the downturn, government cutbacks, a trend since the early 1980s (Abramson, Salamon, and Steuerle 1999), have also reached unprecedented levels in most subsectors of nonprofit activity across the nation (John Hopkins University Listening Post Project, 2003). In California, the state fiscal crisis has created even greater levels of concern (DeFao, 2003). The economic downturn, combined with the state's fiscal crisis and the attacks of September 11th that have further weakened the economy and diverted remaining donations to emergency relief has led to what philanthropy leaders describe as the "perfect storm" (Morino, 2002). The downturn put new pressures on the sector in a double blow: more individuals seek assistance from nonprofits, while shrinking government budgets and foundation endowments increased competition for funding.

We believe that the effect of these shifts in the funding environment on nonprofits merits closer empirical attention that will inform our knowledge about nonprofit responses to environmental shifts: how do nonprofits cope with cuts to expected resources? What were some of the unexpected and sometimes even positive effects of such a downturn on nonprofit management? What strategies did nonprofits use to weather the "storm"? What organizational characteristics (size, activity, age) relate to the differences in the degree to which they were affected?

**Method**

We draw from qualitative and quantitative data drawn from a random sample of 200 operating charities

in the San Francisco Bay Area as part of the Stanford Project on Emerging Nonprofits (SPEN). Using data from the Internal Revenue Service, the U.S. taxation authority, provided by the National Center for Charitable Statistics, we drew a random sample of 200 organizations out of the nearly 10,000 nonprofits operating in the ten-county San Francisco Bay Area of Northern California. The organizations in our sample range from small, “minimalist” organizations to very large, diversified enterprises with multi-million dollar budgets. We conducted extensive interviews with the executive directors or board presidents of those organizations and compared the qualitative and quantitative data collected during the interview with the financial information provided by the IRS.

#### Data analysis

Our preliminary data analysis shows that 69% of nonprofits reported that their revenues were affected by the economic downturn. In this paper, we will combine the quantitative data with open-ended interview responses to unpack the effects of the economic downturn on the region’s nonprofits. We will show that these effects are often complex and unanticipated, sometimes even bringing opportunities to the nonprofits. We will also show the trends in financial data through the downturn such as changes in executive director compensation by activity, total revenues and expenses, and assets and liabilities. We will investigate what types of organizations have been most affected by the economic conditions, and which have weathered the downturn unscathed.

Then, through systematic analysis of our qualitative interview responses, we will present the ways in which nonprofits have responded to these challenges. These responses range from staffing cuts to mergers, from alliances to becoming an all-volunteer organization. Our results will inform academic research on management practices and nonprofit survival. We will link our results to previous research on how nonprofit organizations cope with a less optimal or turbulent external environment (Alexander, 1998; Barman, 1999, 2002; Galaskiewicz and Shatin, 1981; Lune, 2002; Hager and Galaskiewicz, 2000; Galaskiewicz and Bielefeld, 1998; Salamon, 2003).

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