

Nonprofits *as* Agents *of* Tension *and* Democracy

by Jon Pratt

NONPROFIT ORGANIZATIONS ARE FREQUENTLY lauded as essential contributors to a functioning democracy, but what does that actually mean? In what ways do nonprofits help express the democratic impulses of liberty, autonomy, and self-determination?

In its purest democratic form, every nonprofit would sprout from an independent community concern or idea, born around a kitchen table, exhibiting a shared commitment of some sort. This image is, of course, no longer alone in the larger landscape of nonprofits, but it is the basic mold to which public expectations and aspirations attach: nonprofits as the embodiment of a task taken on collectively to improve society—a task that, in the doing, does not benefit the organizers above all those to whom benefits are meant to flow. This notion is attached both to the “commons” (those things we need to make communities whole, happy, and prosperous) and to the creation of a pluralistic democracy (that is, a democracy that can be fair to the parts, however marginalized, and to the whole).

Here we must stop for a moment to acknowledge the complexity of other theories about the

purposes of the sector. These are reviewed in Elizabeth Castillo’s article (in this cluster), where she argues for a return of focus to the sector’s most essential function as a venue for collective action that can keep us at pace with the ethics of a changing world, in which the seats of power need—as always—to be challenged.

Cyndi Suarez’s article, also in this cluster, provides a frank view of the barriers to pluralistic democracy that nonprofits have been unable to knock down and have even, at times, been accused of propping up—as in the longstanding critique of this sector as a self-serving “nonprofit industrial complex” and the recent critiques of philanthropic practices that undermine public self-rule. These criticisms attach particularly to the uses of nonprofits to fulfill government intentions, and to the “doing to” or “doing for” rather than “doing with” mentality that pervades a good part of the service sector. Practice habits that neglect engagement and the common generation of common goals

JON PRATT is executive director of the Minnesota Council of Nonprofits, codirector of GrantAdvisor, and a *Nonprofit Quarterly* contributing editor.



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detract from the energy, power, and—one might conclude—basic ethos and democratic nature of the sector. These practices may flow from conditions set by revenue sources and from obedience to bureaucratic order¹ and legitimacy, as argued later in this article, but they can also undermine the sector's influence and efficacy.

In a practical sense, the democratic nature of nonprofit organizations is demonstrated daily throughout the world when regular citizens express their interests and values by deciding what organizations to associate themselves with—and even perhaps how and when to form them, how to manage and govern them, and what risks to take or sacrifices to make in pursuit of a common goal. These expressions of grassroots democracy represent an almost universal aspiration: in most countries, there are groups of like-minded individuals who choose to join together to undertake public projects, forming associations larger than friends and family but smaller than the state—from community arts and youth sports to environmental advocacy and coin collecting.

But various political regimes react differently to these independent nodes of self-governance. The most open societies present few barriers to forming new organizations, while authoritarian regimes regularly restrict the formation, operation, and funding of voluntary organizations.² However, even in political environments that see these organizations as good and necessary expressions of civic life, there is a set of real-politik limitations that can make the work of such organizations messy, frustrating, compromised—and frequently undemocratic.

The dissonance between the democratic ideal of free associations and the lived reality of funding restrictions and government controls is the U.S. nonprofit sector's existential dilemma: its reason for being—free expression—is constantly tested.

What Grounds the Sector as a Core Aspect of a Democracy?

In democratic societies, adults are considered competent to make a wide range of decisions about their own lives—especially the right to

participate in the selection of their representatives for self-government. The ability to be sufficiently knowledgeable to participate in self-government requires some access to a free press and being able to meet and talk with fellow citizens about common concerns. The rights of free people to form associations, organize meetings, develop petitions, and confront government is recognized throughout the First Amendment to the U.S. Constitution and codified in the Universal Declaration of Human Rights.³

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Governments' Mixed Feelings about Organizations in Their Midst: How Free Should Nonprofits Be?

The Universal Declaration of Human Rights represented a worldwide consensus that successful democracies should allow a robust set of nonprofit (or nongovernmental) organizations to provide opportunities for their citizens to do things together that they could not do alone. The growth of organizations in more than two hundred countries confirms that there is an almost universal interest on the part of the public in forming such associations, but governments differ on what they are willing to tolerate in that realm.

Governments generally have an affinity for organizations that promote civic peace—whether it is earthquake relief, performing arts, or health and education—but many have less patience with organizations that seek to influence the workings of government. The ability of associations of regular citizens to serve as an intelligent check on abuses of power assumes a substantial degree of freedom—a role often not particularly welcomed by those in power.

This tension inherent in the relationship between nonprofits and the U.S. government has always been acknowledged. In *Democracy in America*, Alexis de Tocqueville posited that forbidding some types of associations and allowing others would confuse people and inhibit the use of associations, but could be justified by the need for order:

I do not believe that a nation is always so much a master as to allow citizens the absolute right to associate in political matters, and I even doubt that there is any country, in any period, in which it would not be wise to set bounds for freedom of association.⁴

But he also admitted that there would be a cost to restricting the right of association: “If to save the life of a man one cuts off his arm, I understand it; but I do not want someone to assure me that he is going to show himself as adroit as if he were not one-armed.”⁵

Resource Dependency and Democratic Expression

While principles of self-government, free will, and autonomous collective action are at the heart of forming nonprofit organizations, there is an inevitable reality check when organizers are forced to confront how they will finance these enterprises. This existential dilemma facing nonprofit organizations has been addressed before in the *Nonprofit Quarterly*, including the following observation:

The way an organization handles decisions about funding sources sets in motion an ongoing chain of consequences, further decisions, and compromises about what the organization will and will not agree to do. Throughout the history of nonprofits, major changes in size, direction, and strategy (and even new names and purposes) are more commonly due to shifts in revenue than to changed intent.⁶

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Not Your Great-Grandparents’ Nonprofit Sector

Since Tocqueville, in 1835, chronicled the early American appetite for forming voluntary associations of all types in *Democracy in America*, several things have changed. There are more formal structures and regulations surrounding

these organizations, and the types of organizations have been evolving over time. One essential change in organizational form since that time has been the abandonment of membership organizations as the dominant form, with organizational leaders elected by a general membership, often at public annual meetings. The vast majority of U.S. nonprofit corporations now task current board members with selecting their successors.

The democratic spirit and willingness to attend meetings of chapters of national organizations is now dwindling; at the same time, there are twelve million men and women who have chosen careers in full- and part-time nonprofit work that expresses their values and interests. Two million Americans now serve on nonprofit boards of directors in deliberative, decision-making roles to set the direction and budgets of their organizations (and this number is just for the nonprofit organizations that have at least one employee).⁷

For these working charities (in which the nonprofit workplace can be seen in important ways as comparatively desirable and distinct from business and government workplaces), the workforce is growing, the wage gap with government and business is shrinking, and management and the workforce is majority female.⁸ Many of these organizations are managed differently from business and government, are closer to the community, are more participatory, and as a result can be slower to make decisions and less financially driven.

In the 1960s, young Americans were encouraged not to just drop out of the system but to work to change it—and many sought ways to live out their values in their work life. An important difference between the voluntary groups of the 1800s and the nonprofit organizations of the new millennium is that these new organizations are primarily local—incorporated at the state level, with local boards and primarily local funding.

The Black Lives Matter and #MeToo movements are not structured along the lines of previous generations of membership organizations, but they share their ambitions to build participation and influence society. The knowledge of how to *combine*—how to join with others and get something done—is what Tocqueville called

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the “mother science” of democracy.⁹ Currently in the United States, this knowledge of how to form new nonprofits and seek funding is widely shared and is a worthwhile contribution to grassroots democracy—as substantial as the Moose, Eagles, and Freemasons were in their day.

Imperfect Organizations for Imperfect Democracy

Open societies require venues for individuals to exercise their rights. Nonprofit organizations naturally fill this role—particularly when they act in ways that engage the ideas, energy, and speech of members of their community. While generating and preserving resources encouraged by tax exemptions is useful to support this work, the participatory role of nonprofit organizations in a democratic society is better seen as rooted in the First Amendment and the Universal Declaration of Human Rights rather than in the tax code.

In a world that needs more of what nonprofits can do, most communities hold a measure of untapped people energy, compassion, and support. When these organizations are able to stay true to this democratic calling, they are well positioned to build relationships and understanding—and achieve their potential as effective, responsive, and influential voices in concert with their constituencies.

NOTES

1. Under state nonprofit corporation statutes, officers and board members must act in accordance with duties of care, loyalty, and obedience—with this last duty requiring compliance with all laws, codes, and tax requirements affecting nonprofit organizations.
2. The International Center for Not-for-Profit Law’s Civic Freedom Monitor provides up-to-date information on issues affecting civil society around the world, and its U.S. Protest Law Tracker is a compilation of new laws—proposed, passed, or rejected—that could potentially restrict the right to peaceful assembly across the United States.
3. In 1948, the United Nations adopted the Universal Declaration of Human Rights as an essential foundation for freedom, justice, and peace in the world, including five articles that bear directly on the role

of voluntary associations in a democracy: Article 19—“Everyone has the right to freedom of opinion and expression; this right includes freedom to hold opinions without interference and to seek, receive and impart information and ideas through any media and regardless of frontiers.” Article 20—“(1) Everyone has the right to freedom of peaceful assembly and association. (2) No one may be compelled to belong to an association.” Article 23—“(4) Everyone has the right to form and to join trade unions for the protection of his interests.” Article 27—“(1) Everyone has the right freely to participate in the cultural life of the community, to enjoy the arts and to share in scientific advancement and its benefits.” Article 30—“Nothing in this Declaration may be interpreted as implying for any State, group or person any right to engage in any activity or to perform any act aimed at the destruction of any of the rights and freedoms set forth herein.”

4. Alexis de Tocqueville, *Democracy in America*, trans. and ed. Harvey C. Mansfield and Delba Winthrop (Chicago: University of Chicago Press, 2000), 500.

5. Ibid.

6. Jon Pratt, “Analyzing the Dynamics of Funding: Reliability and Autonomy,” *Nonprofit Quarterly*, June 21, 2004, nonprofitquarterly.org/2004/06/21/analyzing-the-dynamics-of-funding-reliability-and-autonomy/.

7. Author’s calculation, from median number of 15.3 board members for nonprofit organizations in 2014 (as described in Ruth McCambridge, “BoardSource’s Board Governance Index: Is Your Board ‘Normal’?,” *Nonprofit Quarterly*, January 27, 2015, nonprofitquarterly.org/2015/01/27/nonprofit-board-governance-boardsource-index/), multiplied by the number of reporting public charities (210,723 organizations in the National Center for Charitable Statistics 2015 full 990 dataset of public charities).

8. *The White House Project Report: Benchmarking Women’s Leadership* (New York: The White House Project, Fall 2009), 77. The report notes that in 2005, women in the nonprofit sector made up “nearly 75 percent of the 8.4 million employees.”

9. Tocqueville, *Democracy in America*.

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