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# Comparative Research on Nonprofit Organizations and Sectors: Looking Back and Looking Forward

Helmut K. Anheier<sup>1</sup>

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**Abstract** While comparative research on nonprofit organizations has made much progress since the launch of the Johns Hopkins Comparative Nonprofit Sector Project in 1990, there now seems to be a loss of momentum. Some of the reasons for this have to do with aspects of definition, classification, and aggregation that can be corrected. The main issue, however, is the lack of progress in advancing comparative nonprofit sector theories beyond the social origins theory. To remedy this, the essay proposes four ways forward as part of a new research agenda.

**Keywords** Comparative nonprofit sector research · Structural-operational definition · Classification · Satellite accounts · Social origins theory · Political economy

## Introduction

It is perhaps only a slight overstatement to suggest that research on nonprofit organizations not only originated in the USA in the 1970s but also developed against the background of the country's economic, political, and social characteristics as major empirical reference. Comparative perspectives to overcome this US-focus entered much later, in the late 1980s, spearheaded by Estelle James, Virginia Hodgkinson, Kathleen McCarthy, Benjamin Gidron,

Robert Wuthnow, Martin Knapp, and Wolfgang Seibel, among others. Yet it was not until the launch of the Johns Hopkins Comparative Nonprofit Sector Project (CNP) in 1990 under the leadership of Lester M. Salamon (whom I joined as co-director), that comparative research gathered significant momentum.

For nearly two decades, and well into the 2010s, CNP shaped international, comparative research in the field. It introduced a standard definition of what constitutes a nonprofit organization, developed a classification system and methodology for data collection and preparation, produced comparable data on employment, volunteering, expenditures, and different revenue sources for over 40 countries, advanced a conceptual framework for analysis, and forged a partnership with international statistical agencies for a future nonprofit sector satellite account as part of the system on national accounts. All these efforts involved many researchers from around the world, too numerous to mention here,<sup>1</sup> collecting data, writing working papers and journal articles, authoring and editing books, presenting at many conferences, and contributing to a common website at Johns Hopkins University's Center for Civil Society Studies.

Undoubtedly, much has been achieved, and this is not the place to recount the project's many accomplishments and its significant impact (see Salamon et al., 2003). Rather, I'd like to point to several of its shortcomings that once recognized—and hopefully corrected—could provide renewed impetus to comparative research on the nonprofit sector.

This essay is based on a keynote address delivered at the 2022 ISTR Conference in Montréal, Canada. It draws in part on Anheier et al. (2020) and Anheier (2023).

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<sup>1</sup> Nonetheless I should acknowledge the immense contributions by members of the core team at Johns Hopkins during my time there from 1990 to 1999: these are Stefan Toepler, Regina List and the late Wojciech Sokolowski.

Indeed, there seems a loss of momentum in comparative nonprofit sector research of the CNP type. The data that are at the heart of the project are no longer updated systematically and regularly. Too few countries have implemented the satellite account on nonprofit organizations, CNP developed jointly with the UN Statistical Division.<sup>2</sup> As a result, the data infrastructure suffers, and is gradually being outdated.

What is more, no CNP “school” has been established to carry the work forward. National attempts to update data (e.g., the Almanac of the UKs National Council of Voluntary Organizations (<https://www.ncvo.org.uk/news-and-insights/news-index/uk-civil-society-almanac-2021/#/>), the National Center for Charitable Statistics in the US (<https://nccs.urban.org>) or Ziviz in Germany (<https://www.ziviz.de>)) typically work in isolation of each other. No systematic collaborations link CNP with other major data efforts such as V-Dem (<https://v-dem.net>) or the World Values Survey (<https://www.worldvaluessurvey.org/wvs.jsp>), and not even with closely related and more qualitative repositories such as the International Center of Nonprofit Law (<https://www.icnl.org>).

Yet what seems most striking is that there has been no major push for further theoretical advances beyond the basic economic theories and the social origins theory. Too few conceptual links have been developed between comparative nonprofit sector theories on the one hand, and approaches like varieties of capitalism or the new political economy on the other.

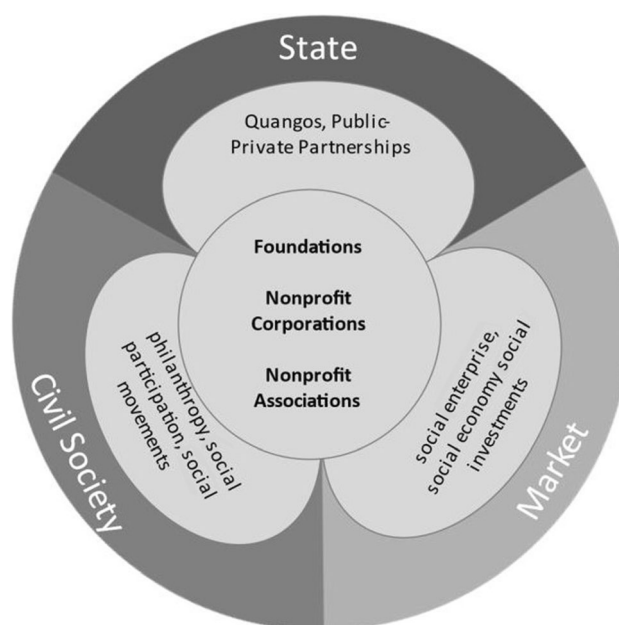
How can comparative nonprofit sector research regain its momentum? In my view, this can be achieved by paying attention to four major areas: definition, classification, aggregation, and theory. The first three are methodological and reflect basic decisions CNP made at the time. They seemed reasonable then but appear problematic today and in need of correction. The final area is theory, and after a brief comment on the social origins theory, we turn to what is ultimately the main concern here: the need for conceptual and theoretical advancement.

Let's begin with the structural operational definition. It identifies nonprofit organization by five characteristics: formal, private, nonprofit-distributing, self-governing, and voluntary (Salamon & Anheier, 1992a). The total of entities thus identified makes up the nonprofit sector. The advantage of that definition is that it allows for aggregation and makes comparisons possible. The disadvantage is that it takes nonprofit organizations and sectors out of their institutional context. It is ultimately an artificial statistical unit of analysis good for economic mapping but deficient for other concerns. For example, it makes it difficult to detect co-evolution of institutions, hybridity and functional

equivalents. The definition is blind to the value base of most nonprofits as fundamental characteristics, a fact that early comparative work on nonprofits repeatedly emphasized (e.g., James, 1989). Indeed, CNP excluded religion and ideologies generally as the definition focused on structure and operation rather than mission, purpose or function.

Overcoming the deficiencies of the structural operational definition requires a broader institutional mapping of the embeddedness of the various nonprofit forms. As Fig. 1 illustrates, they do not exist in isolation from the three institutional complexes of state, market, and civil society. These forms and sector constellations emerged over time in ways that involved complex and conflictual interactions with other institutions. In many cases, it created overlaps with them: markets with social enterprises or cooperatives; the state with Quangos and public–private partnerships; and civil society with philanthropy, social movements and forms of civic engagement. In other words, to advance comparative nonprofit sector research, it is useful to think about the different nonprofit forms, their changing embeddedness and relations with the three other institutional complexes.

The second issue is classification. The International Classification of Nonprofit Organizations (ICNPO), introduced by Salamon and Anheier (1992b), builds on the same principles as the International Standard Industrial Classification (ISIC) ([https://unstats.un.org/unsd/publication/seriesm/seriesm\\_4rev4e.pdf](https://unstats.un.org/unsd/publication/seriesm/seriesm_4rev4e.pdf)). Its main advantage is that it allows for comparisons and integration into the system of



**Fig. 1** Setting focus on the institutional embeddedness of nonprofit sectors. Anheier and Toepler, 2023: Chapter 3

<sup>2</sup> [https://unstats.un.org/unsd/publication/seriesf/seriesf\\_91e.pdf](https://unstats.un.org/unsd/publication/seriesf/seriesf_91e.pdf)

national accounts via satellite accounts. Its main disadvantages are grounded in the ISIC's majority expenditure principle, which classifies organization by that economic activity with the largest share of its overall operating costs. It thus favors service provision over advocacy and other roles, as the ISCI is an expenditure-based system and not an activity-based system. This, in turn, introduces distortions as it ignores co-production, product bundling and other essential aspects of nonprofits that theorists like Weisbrod (1998), James (1989), and Ben Nér and Gui (1993) identified long ago.

To illustrate the distortion, consider the following hypothetical example: in country A, social service providers are highly professionalized and charge fees slightly above costs of production. They engage neither in advocacy nor value-guardianship. In country B, social services are run mostly by religious and humanitarian organizations that, while less "corporate" and linked to many support groups, carry out significant advocacy work, and look after the communities they serve. Both cases would be classified the same way, i.e., all expenditure allocated to service provision, while ignoring the important issue of co-production and product bundling. To overcome this distortion, we need to develop activity-based classification systems along nonprofit roles, valorize them accordingly, and build cross walks between the ICNPO, the functions of government classification in the system of national accounts and similar systems.

Aggregation is the third problematic aspect and stems from the decision to equate the nonprofit sector with the sum of entities identified by the structural operational definition. It is, as mentioned already, an artificial unit of analysis. As suggested above (see Fig. 1), different dynamics are at play when it comes to the actual institutional embeddedness of nonprofit sectors that vary across countries. That the artificially defined nonprofit sector may not be identical to the embedded nonprofit entities results in a methodological problem whereby between-country variations cover up significant in-country variations. At the very least, one would have to distinguish between different organizational forms of nonprofits: membership-based associations, liability-based corporations, and asset-based or endowed foundations. Distinguishing among these three basic forms would help in our comparative understanding of nonprofit roles, for example in advocacy (membership-based), service delivery (corporations) or vanguard (asset-based).

A brief comparison may illustrate the point. The French and German nonprofit sectors appear rather similar in terms of the economic scale, composition, and revenue structure. Yet their embeddedness and share of organizational forms are strikingly different. Whereas Germany has one of the largest set of philanthropic foundations, France has one of

the smallest among developed market economies. By contrast, France experienced a massive growth in the number of volunteer-run associations in recent decades, and Germany much less so, even a contraction in some fields. What they have in common is a highly developed system of nonprofits in the health care and social services that are significantly financed by the state. The similarity is revealed in the CNP findings (and the satellite account by implication), but the differences are not.

Finally, the social origins theory, which was introduced more as a conceptual heuristic to account for the patterns that emerged from CNP's empirical result rather than as a fully developed explanation, has received much attention ever since it was first introduced (Salamon & Anheier, 1998; Salamon et al., 2017). Advancing the Social Origins theory involves attacking three main questions. Do countries exhaustively and exclusively fall under any of the types as proposed by the conceptual typology? Can we identify the existence of the regime types using model-based clustering? And: can we link country clusters and their regime types with corresponding "moorings", as suggested by the theory?

The problems of such theory construction are first the long timeframes, the number of confounding factors involved, which can, *ex post facto*, lead to imputed institutional logics. Second, clusters may not fall into one regime-type or another (Ahlquist & Breunig, 2012) which either invalidates the typology or invites more regime types. And third, there are implicit assumptions about causality, endogeneity, and circularity (Selle & Wollebaeck, 2008). In response, I propose a systematic stock-taking of social origins theory in relation to social welfare theories, other political regime typologies, and civil society research more broadly (see also Anheier et al., 2020).

## Towards a New Agenda for Comparative Research

In my view, it is time not to abandon but to go beyond the CNP approach (see Salamon & Anheier, 1993) and advance a new research agenda to move comparative research out of its current impasse. The main items of this agenda are a reframing of the nonprofit sector concept, addressing the role of values and ideologies, establishing a link to political economy, and developing a data infrastructure for comparative research in the field.

### Agenda I: Reframe the Nonprofit Sector Concept

The first task in reframing the nonprofit sector concept is to no longer treating it as synonymous with the notion of civil society. Civil society is more than organizations; it includes cultural and political values and norms, notions of

citizenship, civil engagement and caring. Above all, it is about the ability of societies, communities and citizens for self-organization and self-governance. This typically means institutions and organizations, but they are a means to an end, and establish themselves relative to the state. We should recall Gellner (1994) who defined the organizational part of civil society as “that set of nongovernmental institutions, which is strong enough to counterbalance the state, and, whilst not preventing the state from fulfilling its role of keeper of peace and arbitrator between major interests, can, nevertheless, prevent the state from dominating and atomising the rest of society” (Gellner, 1994: 5). Similarly, Keane (1998: 461) sees organizational civil society as a “complex and dynamic ensemble of legally protected nongovernmental institutions that tend to be non-violent, self-organising, self-reflexive, and permanently in tension, both with each other and with the governmental institutions that ‘frame’, constrict and enable their activities.”

Therefore, it seems better to think of the nonprofit sector (and the various roles of nonprofit organizations) as the organizational infrastructure for the governance capacity of civil society similar to the regulatory and administrative capacity of government. We can keep the structural operational definition for purposes of economic measures of scale and scope but adjust it in the context of the sector’s institutional embeddedness when focussing on functional aspects such the capacity of civil society, as illustrated in Fig. 1.

Civil society capacity is about self-organization and self-governance, whereas state capacity is the ability of a government to accomplish policy goals, either generally or in reference to specific aims. One can easily anticipate that with the conceptualization of the nonprofit sector as the organizational infrastructure of civil society relative to the capacities of governments and markets new questions quickly arise. For example, are the nonprofit organizations strong enough to counterbalance the state and prevent it from dominating society, to follow Gellner, and are they non-violent, sufficiently self-organizing and self-reflexive to manage the tension with government, in reference to Keane?

## Agenda II: Take Values and Ideologies Seriously

We should return to James’s entrepreneurship argument and the role of religion and thus put more emphasis on value-based nonprofits (1989). Note that CNP cut out the religious component (other than in the field of education, health care and social services) and with this the central motivating forces for the establishment of nonprofit organizations. Religious values—and more broadly ideologies—are key to why nonprofit organizations exist, and

how they operate, which should become central concerns for comparative research.

Religions differ by their tendency to proselytize and to create institutions and organizations. In James’s terms, this means differences in the extent to which religious entrepreneurs and ideologues engage in product bundling and cross subsidizations. It can also mean competitive relationship with other religions and ideologies. It would be worthwhile to address the role of value-based nonprofits in the context of social cohesion and ideological competition of increasingly heterogenous and secular societies. What this means for civil society capacity, also in relationship to the state?

Other key questions are: Is the smaller size of nonprofit sectors in some countries related to different value systems and bases, even their relative absence? Do dominant state ideologies or dominant religions stifle value competition? Can predatory elite or technocratic autocracies mean less civil society capacity and less of organizational infrastructure? What happens during regime transitions? What is the longer-term impact on civil society capacity through externally donor-funded nonprofits that are not rooted in local value systems, with little or no institutional “moorings” in society and local communities?

## Agenda III: Link to Related Social Science Approaches

Yet how does civil society come about and how can it be maintained? And how does the nonprofit infrastructure evolve? This is where political economy and comparative sociology and political science come in. Indeed, there is a renewed interest in the longer-term view that tries to understand how countries, including their civil societies, develop or fail to do so: major works in this line of thinking are Hirschman’s (1986) notion of the narrow path, North et al.’s (2009) concept of the doorstep conditions, and most recently Acemoglu and Robinson’s (2019) framework for the narrow corridor that countries must negotiate to advance towards a liberal order. In essence, Acemoglu and Robinson (2019) argue that the key to sustainable development is for a country’s civil society and state to advance more or less simultaneously. Borrowing from the Red Queen analysis in Lewis Carroll’s “Through the Looking Glass,” they suggest that both state and civil society must “keep running” just to maintain their position, let alone avoid falling behind. The self-organizing power and resilience of civil society, and hence the organizational nonprofit infrastructure, must match the state’s power to regulate and to support it. Out of this balancing act, a domestic liberal order with a sizable nonprofit sector can emerge over time and become sustainable.

While Acemoglu and Robinson's concern is primarily about liberty, we suggest that their institutional political economy perspective can be applied to civil society development as well. This means that negotiating the narrow corridor begins with better conditions for social self-organization and self-governance, and by implication the possibility to create and operate nonprofit organizations. Figure 2 presents the stylized relationship between state capacity to control, regulate and enable a civil society; the capacity of civil society for self-organization and self-governance; and the corridor leading to civil society sustainability. This does not mean, however, that all sustainable civil societies are constituted in a similar way or carry out similar functions. For example, Sweden has a strong state and a strong civil society, as do the United States and France, but their respective states and the civil societies are rather different in each case, including the institutional embeddedness of the nonprofit sector.

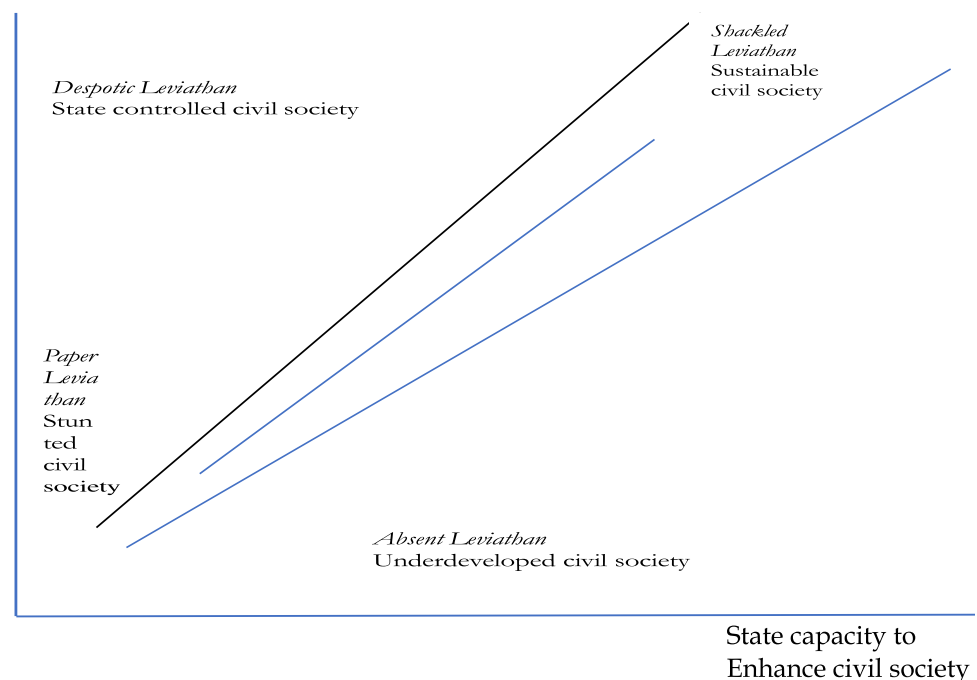
In general, sustainable civil societies and relatively large nonprofit sectors would require the development of what Acemoglu and Robinson (2019) call a “shackled Leviathan”, i.e., a state that exists in a cage of rules and regulations and respects civil society and provides an enabling framework for capacity building. It means strong institutions and a developed nonprofit sector and citizens with a voice that demands as much and complains if the state becomes too dominant. State capacities and civil society capacities both enable and constrict each other, in reference

to Keane (2020). This is the case in many Western countries, but examples like the United States, Poland or Hungary show that such state-society relations cannot be taken for granted, and unless both state and society keep running, regression seems certainly possible.

There are other scenarios when countries veer off the narrow path. One is the “despotic” Leviathan, whereby state control is dominant and applies its capacity as it sees fit and without much input from, or regard to, the capacity of civil society for self-governance and self-organization. The state-dominant mode is very much a weak society syndrome at least from a Western perspective: unable or unwilling to allow for capacity build-up outside the state, the despotic Leviathan makes all major decisions and implements them accordingly, and can even allocate controlled space to nonprofit organizations. China and Russia are the best modern examples of this case. China and Russia are, however, no “paper” Leviathans. Paper Leviathans are despotic states with little or no implementation capacity, and with stunted civil societies without much potential for self-organizing and self-governance. Many Latin American and sub-Saharan African countries have in the past fallen into this category. Finally, there is the “absent” Leviathan, which is characteristic of countries without sustainable forms of government and with only a rudimentary civil society, and a weak nonprofit infrastructure.

**Fig. 2** Civil society, state capacity and the four Leviathans

State capacity to  
Control civil society





In sum, the self-organizing power and resilience of civil society must match the state's power to provide order and support (see Keane, 1998; 2020; Gellner, 1994). Out of this balancing act, a nonprofit sector can emerge over time and become sustainable.

#### Agenda IV: Revise and Build Sustainable Core Data Infrastructure

Finally, there is the need to assess the current data infrastructure. As mentioned above, the data CNP generated are increasingly outdated and satellite accounts exist for a few countries only. For the foreseeable future, it seems unlikely that a CNP-like effort will provide regular updates, and it appears also unlikely that many more countries will implement the satellite account. What can be done? I propose a multi-pronged approach that includes:

- Concentrating on a few core economic indicators: using the CNP approach to estimate nonprofit employment and volunteering, membership, expenditures, and revenue structure.
- Use organizational surveys to collect data on nonprofit roles to obtain estimates on values bases, product bundling and co-production.
- Establish explicit links to other major national and international social science data projects to explore potentials for cooperation in view of better coverage of civil society and the nonprofit sector.
- Collect data that allow us to ask fundamental questions that demonstrate the relevance of civil society and nonprofit sector research for major social science concerns.

#### Conclusion

While much has been achieved since CNP began in the 1990s, there is nonetheless the danger that comparative research of this kind is losing momentum. What is more, there are some serious conceptual and methodological issues that need correcting for reinvigorating the research agenda. We need to ask different, even bigger questions that are relevant to the social sciences at large and seek alliances with related projects. Above all, we need to establish new coalitions of researchers interested in “pushing the envelope” of comparative nonprofit sector research that are hopefully as innovative as CNP was over thirty years ago.

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