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Another Role for Nonprofits: The Case of Mop-Ups and Nursemaids Resulting From Privatization in Emerging Economies

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This article synthesizes economic, sociological, and historical theory, first in the American context and then in an Eastern European (Polish) context, to develop an explanation for a distinctive type of nonprofit activity. The authors explore a role for some nonprofits arising due to the privatization experience in the early history of the United States and to recent privatization in Poland (as an example of a transitioning economy), where nonprofits develop as facilitators for the creation of for-profit enterprises. The "facilitator hypothesis" proposes two roles for nonprofits. First, they "mop up" problems created when firms are privatized, assisting those persons left unemployed or otherwise adversely affected by privatization. Second, they act as "nursemaids," nurturing nascent for-profit businesses and industries. This article suggests further study of emergent organizational forms in the transformation from command to market-oriented economies as a way to understand the diffusion of sectoral models from one economy to another.

Researchers explain nonprofit sectors in various ways: as independent institutions (Hall, 1993, on Tocqueville), partners in public service (Salamon, 1987), shadow states (Wolch, 1990), buffers (Estes and Alford, 1990), purveyors of democratic political revolutions (Salamon, 1994) and even fetishes (Alford,

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1990). Often, researchers try to understand the function of a nonprofit in a "mixed economy" according to its "objectives, the identity of its owners, the identity of its beneficiaries, and the major constraints that the organization faces" (Ben-Ner & Gui, 1993, p. 4). Drawing on one strain of nonprofit organizational development in the United States coupled with observations from Poland as a "tabula rasa" economy, this article argues that another conceptualization of this sector may be added to the list: nonprofits as capitalism's facilitator.

To develop this argument, the first section provides background and definitions on capitalism and nonprofits as they apply to the hypothesis constructed in this article. The second section begins with a review of the relevant literature on the interconnections of the for-profit and nonprofit sectors in the United States. This downplays the connection between the governmental sector and the nonprofit sector, which is not critical to the arguments created here. The second section focuses on literature specifically concerning the functioning of nonprofits in economies dominated by for-profits and develops the notion of nonprofits' lubricating function.

The second section also presents and analyzes examples of nonprofit-as-facilitator development in Poland. The examples and the historical journey tracing the "facilitator hypothesis" tie together the characteristics of "nursemaids" and "mop-ups" in emerging economies. Nonprofits that were started by either model continuously operate as facilitators for the for-profits that spawned them or that they helped to spawn. The third section discusses the role of U.S. and U.K. nonprofit organizations (NPOs) in aiding the facilitative function of nonprofits in emerging economies. Finally, the article suggests how the facilitator conceptualization might create new insights, fostering further study of the role of nonprofits.

THE TRANSITION TO CAPITALISM AND NONPROFITS

Market economic systems often are referred to as "capitalist" to indicate that they rely for production and distribution on firms in which profits are appropriated by capitalists, the private providers of equity capital (Ben-Ner & Gui, 1993). In this article, the word capitalism refers to firms operating in a mixed economy in which a significant share of economic activity takes place in governmental organizations. Capitalism is expanding; we presume that the countries of Central and Eastern Europe are changing from state-controlled economies to some types of mixed economies. Further, this article assumes that new firms operate under some type of "workable" competition, as distinct from the pure and perfect competition of some intellectual discourse. We further assume that where capitalism replaces other economic systems, social dislocations may be enacted. Indeed, the transition to capitalism results in many externalities. As Weitzman (1993) notes,

Capitalism is not a fair system and capitalists are not nice guys, at least not in their business dealings. Whether inadvertently or as part of a promotion strategy, this central fact has been massively camouflaged behind all the sanitized talk about transition to a "market system" with its justifiably well-publicized opportunities for initiative, entrepreneurship, and advancement. (p. 252)

Weitzman and others discuss the fact that no matter how it is accomplished, privatization is "going to end up with some unpleasant characters becoming relatively rich and some virtuous innocents losing out" (p. 252).

A question remains as to what roles social groups, NPOs, and the state play in dealing with the externalities generated by capitalist enterprise. Some understanding of the role of the state facilitates an understanding of possible solutions to the externality question. Historically (and contrary to the West, where modern countries usually were built in and through the state and its organizations), the countries of Eastern Europe were formed by social groups: family, religion, the intelligentsia, exiles, and so on. As the role of the state changes, nongovernmental organizations (NGOs) become extremely important. Kapiszewski (1990) states that, from this perspective, the reconstruction of the civil society with independent NGOs is "essential to national revival and an important element in the fight for full independence" (p. 324). "Solidarity" in Poland, "popular fronts" in the Baltic republics, and the "Civic Forum" in the former Czechoslovakia all characterize umbrella social movements to deal with the changing economies and their externalities. As state support for those "losing out" in the transition declines, private organizations are faced with the social injustice and unrest created from privatization.

Because the transitioning countries rely on social groups to deal with many civic and social issues, the creation of many nonprofits comes as no surprise. Citizens have had to find alternatives to fill the growing gap being created by the reduction of the state's financial and organizational support. A slightly different perspective on the situation comes from the request for proposals for a 1994 conference titled "Building Civil Society: The Role of Voluntary Associations in Local Democracy," sponsored by the European Symposium on Voluntary Associations:

Post-communist societies suffer from the consequences of the elimination of the voluntary sector during the totalitarian dictatorship. The recovery of this sector is a precondition to a successful introduction of democratic institutions and [to] a successful transition to free market economies. . . . A market economy may be effective at producing consumer goods and services, [but] it is inherently limited as a mechanism for addressing a range of social needs.

The extremely difficult economic situation in most Eastern European countries has resulted in a "mushrooming" of new nonprofits (Kapiszewski, 1990, p. 324). One interpretation of this rapid growth in the number of NPOs is that different interest groups, including voluntary nonprofit associations, chambers of commerce, and other economic and insurance organizations stimulate the birth of a neocorporate order.

This article considers nonprofits created in emerging market-oriented economies either by or alongside corporate ventures. Before embarking on theoretical issues, we note that careful use of the term nonprofit is warranted. Anheier (1995) advises researchers that "the term nonprofit is highly culture bound, dependent on national legal systems in general and on fiscal and corporate laws in particular" (p. 16). This article uses the terms NPOs (nonprofit organizations) and NGOs (nongovernmental organizations) to refer to organizations that

do not seek to maximize profits to be distributed among proprietors (if they have any) or whose owners are not "capitalists" interested only in returns to their investments, or whose owners are primarily interested in the product they obtain from their organization, even if they do receive monetary dividends. (Ben-Ner & Gui, 1993, p. 1)

This article seeks to develop an additional role for NPOs that is illustrated both in the U.S. case and in emerging economies. A general problem noted in the literature is that some NGOs (especially those in developing countries) do not fit neatly into planning systems that often classify organizations as either public or private. Sometimes they are treated more like "add-on features" to public sector programs and projects. Drawing on Anheier's ideas, this article extends the theory on public-private partnerships to corporate-nonprofit relationships, noting that in the literature these common and important relationships are simply ignored. Particularly in the literature on nonprofits in Central and Eastern Europe and on privatization in the same region, "either-state-or-market thinking" dominates policymaking. In this literature, then, NGOs usually are considered vis-à-vis their positions relative to the organizations and agencies of the state. It is mostly in the United States that a nonprofit sector is considered in the literature to provide a contradistinction to the private for-profit realm.

Our article provides an alternative theory for international study where a specific provision for the mixed public and private nature of a nonprofit is proposed at the same time that a provision for cooperating between the two private (nonprofit and for-profit) sectors is proposed. But first we look back on the emergence of the U.S. capitalist economy and the nurturing of NPOs. This provides a comparative departure point for the study of nonprofit development in newly transforming economies. And, as is argued later, the

United States provides a source for both mimetic and normative isomorphic processes (DiMaggio & Powell, 1983) in the structuring of sectoral organizations and relations. Mimetic processes may be observed as nonprofits in emerging economies face great uncertainty and look to successful models of organization in the United States. Normative processes arise when nonprofit and other management professionals and consultants from the United States are called on to share their organizing wisdom with their counterparts in newly emerging economies. Thus a parallel is created between the facilitator role of nonprofits in the United States and this role in emerging capitalist economies.

NONPROFITS IN THE UNITED STATES AND POLAND: LESSONS TO BE LEARNED

Our story begins with the literature and history of nonprofit and for-profit alliances in the United States when it was an emerging market-oriented economy followed by recent examples of the establishment of NPOs in Poland. The story is subject to one caveat: This study does not focus on disaggregated nonprofits by industry or subsector, although the conceptualization is clearly amenable to such. Any histories of the sector must be attuned to the degree to which the sector is composed of many different organizational and industry types, each of which came to prominence at a unique historical juncture. The following exploration does not explicitly account for this, although attention is paid to examples of aggregated types of organizations.

NONPROFIT AND FOR-PROFIT ALLIANCE IN THE UNITED STATES

The interaction between nonprofits and for-profit organizations in the United States and in other economies has been viewed most extensively in the economic literature as a relationship of competition (e.g., Bennett & DiLorenzo, 1989; Hansmann, 1989; Rose-Ackerman, 1982; Schiff & Weisbrod, 1990; Skloot, 1987; Steinberg, 1988). Some economists question, and others refute, the idea that NPOs gain unfair advantage over for-profits when offering similar goods and services. Explanations for the existence of nonprofits include government failures (inadequate public provision), contract failure (or market failure), and consumer or donor control. These models view (or at least posit) NPOs as impediments or addenda to the free operation of the market's laws of supply and demand.

There also exists a strain of social theory, promulgated by sociologists, that mirrors the competitive model of sectors espoused by economists. Habermas, a social theorist, echoes the economists' concerns with competition in his analysis of postindustrial society. Habermas (1976) argues that the dominant norms of state bureaucratization and market instrumentality fight for space

with the life-worlds in which people reside—our voluntary sector. Wuthnow (1991) suggests, from one perspective, that “both the developments within the bureaucratic welfare state and the developments within advanced industrial capitalism pose serious threats to the viability of the voluntary sector” (p. 17). While some economists worry about the fate of for-profits in competition with government-subsidized nonprofits, some sociologists worry about the fate of nonprofits in light of the extension of market principles and norms of contract into the realm of the life-world. The encroachment of market/capitalist principles may threaten the independent institutions to which we turn for detached observation or critique of the capitalist or governmental order (see, e.g., Bagdikian, 1987; Watt, 1991).

Historians suggest another way to view relations between for-profits and nonprofits: as areas of cooperation between the organizations of each sector. The model of cooperation also receives support from scholars looking at NPOs in countries outside the United States where varying market structures facilitate cooperation between independent institutions. Whether we characterize the interaction between sectors as competitive or cooperative, defining a new role for NPOs requires examination of the “friction” arising when for-profit sectors infringe on previously existing economic and social norms. The rest of this article sketches the sociohistorical underpinnings for the cooperative view of the sectors in the United States and then focuses on the roles of NPOs in developing economies, specifically Poland.

NONPROFITS AS FACILITATORS: THE U.S. CASE

The early history of corporations in the United States reveals an ambiguity in the status of most organizations in colonial America. They were neither clearly for-profit nor nonprofit and were not clearly private or public (Hall, 1987). Hall notes that, after the American Revolution, a movement that started in New England empowered elites to begin building corporations.

During the early 1800s, the Democratic Republicans, who represented the opposite sentiment of the New England elites, won control of the federal government. These Democratic Republicans favored small government and production by individuals and unincorporated voluntary associations. This Democratic-Republican, Jeffersonian revolution of the masses pushed the New England elites from the public arena. The elites recognized that, to maintain their influence, they had to undertake private action. Still, the corporations they created did not take on a clear private character until 1819 when the U.S. Supreme Court first defined corporate charters as contracts, free from undue interference by the government.

Hall suggests two types of nonprofit corporation development after the early 1800s. The first, an evangelical counteroffensive, used nonprofits to ensure that American democracy would be tempered by religion and education.

The more critical development for purposes of the facilitator hypothesis comes from the history of the Boston Brahmins. In setting up a mercantile

system that outgrew boundaries of family business, the Brahmins used the nonprofit form as building blocks of interfamilial relations. When the Brahmins realized that sufficient capital to fund their expansions was available only by joint ventures between families, they created institutions to socialize their collective offspring and provide arenas for recruitment. In attempts to ensure that only the right kinds of managers were selected for private service in family-owned corporations, the Brahmins created organized milieus to inculcate common values in future generations. Hall demonstrates that growth of some NPOs (e.g., schools, clubs, professional societies) during the early years of this country came from nursemaid behavior assisting capitalist development. Gassler's (1990) work on the role of nonprofits in establishing an economy's preconditions echoes this theme.

The use of the term mop-up originates from ideas first introduced by DiMaggio and Anheier (1990) and Hall (1987). DiMaggio and Anheier argue that status groups historically represented one type of nonprofit "entrepreneurs." This argument may explain how NPOs come to mop up externalities. Elites founded NPOs to maintain status differentials (cultural organizations) and to provide for social welfare (charitable organizations). A possible motivation for creating the nonprofits was to combat problems created in urban areas during the industrialization of this country. Problems (presumably) arose due to industrialization, which, on the one hand, provided many opportunities for employment and resulted in large-scale immigration, but, on the other, contributed to unmet social needs.

Hall (1987) makes the case that corporations responded to the increasing attractiveness of socialism during the first decades of the 20th century by creating NPOs. During the Industrial Revolution, workers tended to work long (sometimes miserable) hours, in difficult conditions and without needed breaks. For solutions to the problems of wage labor, American workers looked to their brethren outside of the United States for alternatives. A worldwide interest in socialism was imported into the United States, necessitating a response from the leaders of industry. Championed by Herbert Hoover, the rise of cooperative organizations promised a private sector alternative to socialism. The facilitating efforts of growing progressive NPOs, funded and controlled by elites, was effective in keeping socialism at bay. Both the efforts of elites, wanting to maintain status differentials and provide social welfare, and those of the business community, heading off organized labor, may be thought of as mop-up efforts: creating organizations to mop up the effects of capitalist organizations.

The New Deal era of public involvement may have been premised on the view that cooperation between NPOs and for-profits could best provide public goods, services, and public action. Nonprofits and for-profits shared a mutual reinforcing private space until the nonprofit advocacy proliferation of the 1960s put for-profits on the defensive. During the 1960s and 1980s, fueled by suspicious constituents and specific interest groups, challenges to the

fairness of nonprofits in competition with for-profits were brought against the New Deal view.

During more recent years, for-profits have likely enjoyed the insulation provided by affiliated nonprofits. In an essay on the costs of organization, Perrow (1991) considers the importance of "externalization of social costs" or externalities in the calculations of the value of developing large-scale economic activity. Perrow espouses the mop-up theory; for-profit growth may be facilitated by a periphery of nonprofits that act as vents to diffuse most of the unpleasant byproducts of production:

First, the costs of "bigness" of economic activity on a grand scale had to be disguised and dispersed to the weaker parts of society to insure the legitimacy of large organization. Second, the "society of organizations" theme is not limited to large factories or distributors, but includes government, services, and voluntary organizations. A good part of their growth is concerned with dealing with the externalized costs of, say, unemployment, overcrowding, disputes, alienation, social pathology, and even the necessity of mass recreation. (p. 728)

In the United States, Perrow's mop-up argument is echoed in the motivations for establishing and using nonprofit corporate foundations. Research in the United States suggests that corporate foundations are set up for business cycle considerations, tax considerations, and image considerations (Smith, n.d.; Webb, 1994). Although corporate executives may be dedicated to social issues, they may wish to maintain steady giving programs for reputational or other reasons. Thus business cycle considerations give rise to the problem of maintaining giving from corporations. A cosponsored foundation can mitigate cyclical fluctuations somewhat by maintaining assets to fund the corporate giving function.

Corporations also use their foundations to further ease the friction created by commercial activities while simultaneously giving in a way that minimizes the costs of donations and maximizes the firms' good images. Tax considerations refer to the idea that contributions are timed to make the most of the donations with regard to the corporations' annual taxes. Image considerations take into account the effect of "corporate social responsibility" on the donors. "Doing well by doing good" as a corporate or nonprofit strategy generally means helping the bottom line or the image of private organizations by doing good things for the public. Additionally, supporting displaced workers or community activities, although perhaps good for the corporation only in terms of its image, adds a dimension of corporate social responsibility very likely needed in the transition from state- to market-controlled resources. For-profits can develop nonprofit foundations to add to the legitimation of a social order that depends on private solutions to public and private problems.

The motivation of executives for maintaining giving programs is unclear; what is clear is that consistent giving has effects on society that may mop up after externalities or assist (nursemaid) the corporate form as it spreads.

Although perhaps not applying directly to multinational corporations involved in privatization situations in Central and Eastern Europe, some of the same functions of an American corporate foundation may apply in a newly emerging market economy; supporting the local community and legitimizing the corporation may be most easily handled through establishment of an NPO.

Finally, Abzug (1994) argues that theorists in the crisis tendencies literature emphasize the interconnectedness of the for-profit and nonprofit sectors when they seek to place the function of legitimation of capital outside the market. According to such theorists, a new capitalist (economic) order must be made legitimate to the citizenry. Crises occur at the very turning points of modern societies when new economic orders are established. Because new orders often signify the restructuring of social relations, existing sectoral and institutional arrangements are reconsidered at these crisis points (O'Connor, 1973). Developed most extensively by Estes and Alford (1990), this argument describes nonprofits as the buffers that absorb crisis tendencies by cutback or expansion. Thus, when power shifts from the state to the corporate realm or vice versa, the nonprofit sector is in a position to aid the smooth transition. This literature links U.S. scholarship with international research in that it provides the basis for researchers from all fields—coming from varying historical, social, and economic systems—to consider privatization and growth of nonprofits as buffers and legitimators.

In summary, economists, historians, sociologists, and other social scientists view alliances between NPOs and for-profits as either impediments or, most recently, "corrections" or "additions" to a market system. Impediments refer to the cases in which NPOs compete with for-profits. Corrections and additions are organizations dealing with externalities or acting in a cooperative manner to alter a situation arising from for-profit operation or from a different set of values. This article defines mop-up to be the role of an organization when it corrects problems created by capitalist or privatized operations. Mop-up organizations are those assisting persons left unemployed or otherwise adversely affected by capitalism and privatization. Nursemaid organizations are those that facilitate the development and growth of traditional for-profits. Nursemaid organizations can also perform a legitimating function for a new order.

A final U.S. story caveat is needed. The gender inherent in these labels is not accidental. (Nursemaid is obvious; mop wielders are mostly women in the unpaid [home] labor force, whereas mostly men are in the paid labor force.) The literature that posits a legitimating role for the nonprofit sector is preceded by a feminist revisionist literature that placed the legitimation of capital in the family and in the reproduction of women (see, e.g., Donovan, 1984; Mitchell, 1984). This earlier literature is complemented by more recent accounts of

women's work in the nonprofit sector (see, e.g., Odendahl & O'Neill, 1994; Shaw & Taylor, 1995).

To the extent that NGOs are responsible for encouraging enterprise development, we might consider these NGOs as prototypical nursemaid organizations. Researchers such as Fisher (1993) point to the tremendous involvement of women in these activities in less developed countries, further underlining the gender of nursemaid. The gendered nature of generic nonprofit work has been explored by Steinberg and Jacobs (1994) and Odendahl (1994). Steinberg and Jacobs point out four manifestations of the gendered nature of the sector: "the sex of the typical worker, the character of jobs and occupations, the hierarchies within the nonprofit sector, and the metaphors that stereotype the nonprofit sector as a whole" (p. 94). They make the specific argument that ties the Marxist feminist research to the crisis tendencies literature: "The for-profit sector is the sphere of production of commodities and material goods and the nonprofit sector is the sphere of 'reproduction'" (p. 99).

The feminine nature of the sector is further delineated by Odendahl (1994), who claims, "Invented largely by women, the activities undertaken by nonprofits are often associated with culturally assigned feminine qualities" (p. 296). The gendered notion of nonprofit organizations as nursemaids (or even as mop-up crews) to masculinized for-profits, therefore, has a theoretical basis in recent research coming out of the nonprofit community.

NONPROFIT AND FOR-PROFIT ALLIANCE IN INTERNATIONAL PERSPECTIVE: THE CASE OF POLAND

We now turn our attention to nonprofit and for-profit alliances in a newly emerging market-oriented economy: Poland. Theorists viewing the relationship between nonprofit and for-profit sectors in many countries can observe interconnectedness between sectors from the outset. To whatever extent emerging economies of Central and Eastern Europe (and in particular Poland) represent a tabula rasa for market-oriented development, they provide a real-time laboratory to view the formation of private organizations in relation to one another and in contradistinction to the state. As emerging capitalist economies, these nations' experiences with privatization via the establishment of the private form of organization hearken back to the development of private organizations in the United States after the revolution.

As noted earlier, one cost of privatization in Central and Eastern Europe is the reduction of services previously administered by the "social safety net" of government. Unrest arising from the economic transition in some countries manifests itself in support for Communist politics; in other countries, it fuels the creation of voluntary associations to provide the same private sector alternative introduced as ideology in the United States at the beginning of this century. As Wunker (1991) relates, Poland, faced with old debts, collapsing industrial capacity, and the need to undergo the austerity imposed by eco-

conomic transition, has little money with which to increase social services spending. Budgets for social services remain at levels comparable to those of the late 1980s, although the needs of the population have increased dramatically with the introduction of substantial unemployment and inflation. With such costs, it seems unrealistic to expect a weakened central state to provide services by itself. It is at such a juncture where we would expect the rise of the nonprofit form (Salamon, 1994).

In Poland, CIVICUS, the World Alliance for Citizen Participation, counts 17,000 registered voluntary organizations (Les, 1994). Les also notes that Poland has attained a level of legal and fiscal status allowing for dynamic growth just when its likelihood to become a pluralistic free-market democracy is also one of the highest in the region. Grassroots initiatives in Poland include the formation of corporate-sponsored foundations and business associations specifically supporting the development of private business and a market-oriented economy. At the end of 1989, for example, Rotary clubs were reinstated after 50 years and, at about the same time, foundations (financed mostly by Scandinavian companies) were created to clear the polluted Baltic Sea.

Two specific examples of nonprofits in the Polish town of Sandomierz lend support to the mop-up and nursemaid types of organizations proposed in this article. Sandomierz lies equidistant from the tourist destinations of Krakow and Warsaw, yet a straight line connecting the two major cities would pass far west of the small agricultural city crowned by its medieval hilltop city center. On the banks of the less-than-forceful Vistula River that runs through much of Poland, Sandomierz is home to almost 25,000 Poles, most of them farmers. The townspeople are quick to remind American visitors that they are part of Central Europe ("The real problems are in the East").

BUSINESS DEVELOPMENT IN SANDOMIERZ AND THE MOP-UP FUNCTION

Sandomierz, like most Polish cities and towns, is attempting to establish new for-profit ventures. Part of its plan involves joint operations with Western corporations; the other part of its plan is to create sustainable local enterprises that might attract and support larger business from abroad. These plans characterize two separate trials in building a market economy. The first trial we review by example involves the conversion of the country's glasswork capabilities to modern, technologically efficient operations in preparation for joint ventureship.

During the 1980s, Polish planners started work on an enormous state-of-the-art glassworks enterprise on the Vistula River in the town of Sandomierz. Money funding the project ran out, and at the time of the fall of the Berlin Wall in 1989, Britain's Pilkington corporation offered a joint venture to the Polish government to resume work on the modern plant. In exchange for a 30% stake from the Polish government, Pilkington offered to supply 40% of the cost of

the project. The additional 30% was to be provided by the International Finance Corporation and (originally) the European Bank for Reconstruction and Development.

Before renovation, Pilkington Sandoglass produced 106,000 tons of sheet glass a year using 1,450 employees. The new, environmentally friendly float glass plant would produce almost one third more glass using many fewer workers. Creating unemployment, although not new to Pilkington, is new to Poland. Although the building of a technologically fit enterprise as a joint East-West venture has become the focus of international attention, Pilkington is quietly complementing the for-profit organization with an organization of an entirely different order. The parallel organization dealing with the impact of job loss is a nonprofit foundation administering to the needs of the newly unemployed. This foundation is an example of NPO growth arising from the externalities of a profit-making business. Sir Antony Pilkington, in a press release, explained how the situation in Sandomierz mirrored a situation in his native United Kingdom, also involving a newly downsized glassworks company. Pilkington stated that Pilkington Sandoglass hoped to mirror the success of its Community of St. Helen's Trust by forming a similar organization in Poland for the purpose of helping to create new jobs ("Pilkington Chief Inaugurates," 1993).

The Pilkington example shows that the mop-up role of NPOs can arise either from capitalism (United Kingdom) or from transitioning to capitalism (Poland). The second trial we review shows how nursemaid assistance may be directed toward capitalist institutional building.

BUSINESS TRANSITION AND THE NURSEMAID FUNCTION

The second example is that of the development of the Center for Promotion and Support of Agricultural Enterprise. The center arose to ready the local farming enterprises for the entry of American fast food into the Polish market. With Solidarity in control of the Polish government, McDonald's Corporation became interested in buying potatoes in the Polish potato market for use in its newly opened restaurants in Poland. Polish potato farmers, accustomed to producing relatively low-quality potatoes for sale to the government, did not produce to the standards of McDonald's. McDonald's Polska began to acquire its large, unblemished Russet Burbanks from Germany.

Technoserve, a U.S. NPO (funded substantially by the U.S. Agency for International Development [USAID]), together with a Polish senator from the Sandomierz region, joined forces to help Polish farmers meet the higher standards of McDonald's. Technoserve's basic commitment is to strengthen community-based enterprises and foster sustainable development in both regional and national economic development.

In response to the potato farmers' situation, Technoserve launched the Polish nonprofit, the Center for Promotion and Support of Agricultural Enter-

prise, in Sandomierz. The center's goal is to provide "professional analyses along with advisory services in order that agricultural[ly] based enterprises can be either initiated or reinforced" (Center for Promotion and Support of Agricultural Enterprise, n.d.). The center operates to stimulate market activity. While providing Polish farmers the opportunity to sell their new and improved potatoes in the market, the center also paves the way for the food and restaurant industries to grow in Poland based on indigenous raw materials.

In sustainability terms, the second example of nonprofit development in Sandomierz might prove to have more of an extra-local impact even though the scale is much smaller. The center's function, broadly construed, is to combine a number of mainly independent efforts to bring the essentials of (capitalist) institution building into Poland and other emerging economies. The route to this learning process is through the encouragement of new, Western-style NPOs. In the transitioning world, some view institution building as a method to create sustainable development. Setting up or supporting small, local grassroots organizations helps to sustain larger organizational developments that follow subsistence. That nonprofits have become a major medium for institutional building is an ideological choice fostered often (but not only) by U.S. nonprofits themselves working in relief and development.

OTHER EXAMPLES

Other examples from around Poland highlight these same roles for NPOs. United Press International in May 1994 reported the establishment of a (nursemaid) institute to train managers of heating plants to adopt Western-style standards of efficiency. The European Institute of Environmental Energy Poland Ltd. was established, according to Managing Director Hans Nielsen, to change people's mentality and their approach toward a market economy. The institute, jointly funded by Danish and Polish Foundations, was chartered to provide training on budgeting, financial management, and personnel management to bring Poland up to speed with the rest of Europe (Idziakowski, 1994).

In addition, the Associated Press reported in 1993 that the (mop-up) Polish Foundation of Centres for Economic Development Promotion started operations in 1992. The foundation was set up to teach the jobless how to seek employment successfully and to offer courses in computing, offer scholarships for students, and promote small and medium-sized businesses.

That nonprofit mop-up crews have been sprouting up around Poland to train and service the newly unemployed or dislocated while nonprofit nursemaids have arisen to nurture the profit motive and attract foreign and domestic business seems relatively clear-cut. Why this organizational form has been chosen begs analysis at a deeper theoretical level.

FROM WHENCE THE NONPROFIT FORM?

Interestingly, these Polish nonprofit facilitators trace their roots back to the United Kingdom, the United States, and other Western European nations. This may be a result of normative isomorphism (DiMaggio & Powell, 1983); in both Sandomierz cases, representatives from the "host" countries were sent into Sandomierz to create organizations in the image of their own. This suggests that mop-up crews and nursemaids may have more to do with the specific development of the nonprofit sector in the United States and the United Kingdom than they do with any environmental contingency or functional rationale.

Perhaps the odd step in the chain of events is the setting up of a mirror nonprofit in Poland when a U.S. or U.K. nonprofit could perform the same mop-up and nursemaid functions from a domestic base. Indeed, examples of this type of activity abound as well. In 1991, the International Executive Service Corps (IESC), a U.S. nonprofit whose mission is "to provide assistance to private enterprises around the world by drawing upon the experience and expertise of volunteer U.S. business executives," was funded by a cooperative agreement with USAID (General Accounting Office, 1994, p. 21). The IESC in Poland works as a nursemaid to "assist private companies that do not have adequate marketing, accounting and services skills" (General Accounting Office, 1994, p. 18).

Likewise, the MBA Enterprise Corps funded by USAID, foundations, and corporate contributions is a consortium of 22 U.S. business schools that places MBAs in enterprises in Eastern Europe to provide management assistance in the transition to a free-market economy (General Accounting Office, 1994). In a sectorally interesting evolution, in 1990, the Bush administration in the United States set up the nonprofit Citizens Democracy Corps. The purpose of this NPO was to provide an orientation/cultural/business-training program to assist state and private businesses and also small private firms in nine offices in Eastern Europe. Finally, the United Kingdom also contributed a program, the "Know How Fund," to the set of foreign nonprofit nursemaids working to nurture Poland's (and the rest of Eastern and Central Europe's) newly emerging market economy (General Accounting Office, 1994). These examples illustrate a variety of ways that the Western world has encouraged the joining of for-profits with NGOs' interest in the capitalization effort.

Salamon (1994) has developed this notion as the "outside pressure" to expand the voluntary sector internationally. He notes that the Western churches, northern (hemisphere) private voluntary organizations, and official aid agencies (especially in the United States) have played an important role in encouraging nonprofit organizational establishment and growth as a means toward indigenous economic "participatory development." The Polish case is one example, then, of how capitalist development ideologies are diffused by

international organizations that encourage the rise of nonprofits in emerging and transitioning economies. A systematic accounting of this phenomenon is the next step of the research process.

SUMMARY AND SUGGESTIONS FOR FURTHER RESEARCH

The emerging nonprofit sector in Poland is, of course, much more diverse and multifunctional than these examples suggest.¹ Future research may be interested in further exploring the different roles that both new and older NPOs come to play in the Polish economy and in other emerging economies. And again, the concept of nonprofits as capitalism's nursemaids and mop-up crews has broader relevance than it does in just the Polish context, as the brief review of the U.S. literature suggests. Whereas this article reviewed the American landscape to develop a blueprint for this type of nonprofit development, future work may be able to demonstrate the usefulness of these concepts in different settings where capitalism is gaining a foothold. The Central and Eastern European cases may provide an interesting conceptual complement to efforts at sustainable development in Latin America and Africa, where grassroots organizations act as the nursemaids to for-profit activity (Fisher, 1993). The mop-up crews may likely be found in countries where for-profit organizations are larger and better established. Thus we might expect that privatization efforts in the European and American mode may engender further development of nonprofits as mop-up crews. As government bureaucracies are privatized in Central and Eastern Europe, we might also expect to see an increase in the mop-up potential of nonprofits that minister to the needs of the newly displaced.

It is the suggestion of this article, then, that, aside from a myriad of specific functions served by NPOs within particular industries, the form itself may take on the additional function of facilitator to capitalist development as it helps to diffuse averse sentiment or nurture fledgling economic growth. In this function, the growth of nonprofits might be seen to accompany the growth of for-profits in any economy that embraces the advance of capitalism. Of course, the increasing globalization of the marketplace of ideas should suggest to us that a strict functional view of nonprofit development is an overstatement worthy of further empirical research. The predominance of the American model of capitalist development (spread near and far through the globalization of the American media) should alert us to the strong possibility of institutional isomorphic forces (DiMaggio & Powell, 1983) accounting for the growth of American-type nonprofits on foreign soil. Yet, to the extent that the American model is historically based on the facilitator concept, we might note the transference of this mode of legitimation to the international arena. Indeed, Salamon's (1994) recent research confirms the proliferation of NPOs around

the globe. What kinds of functional roles (if any) are served by NPOs in different countries, under different political and economic regimes, is the broader question that begs further empirical research. Future research will also be advised to explicitly model the differential effects of nonprofit industry identity as a way to further explicate the facilitator hypothesis. As such, future research on the diffusion of the different models of nonprofits (including, especially, nonprofits as facilitators) will be welcomed greatly.

Note

1. Kapiszewski (1992) acknowledges the special importance of human rights associations, ecological associations, commemorative associations, international friendship societies, minority group associations, educational societies, and health associations along with business associations in his accounting of the forms that voluntary association development has taken in Poland.

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