

The social origins of the nonprofit sector and charitable giving

Conclusion chapter for the Palgrave International Handbook of Philanthropy

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How does the nature of a country's government, and the relationship between the government and the nonprofit sector, affect individuals' charitable giving? As other chapters focus on the political and economic determinants of the size and nature of the nonprofit sector, this chapter focuses on the historical development of the state and social welfare policy and the interaction between the state and the nonprofit sector. The first part of the chapter reviews Salamon and Anheier's social origins theory and tests it on wealthy democratic countries using the data collected in the country chapters of this volume. The second part extends Salamon and Anheier's theory and applies it to non-democratic and developing countries.

The first section finds mixed but limited empirical support for predictions about charitable giving behaviors taken from Salamon and Anheier's social origins theory. Their theory would predict that liberal democracies would have the highest rates of charitable giving, the highest rate of giving to charities supporting basic human needs, and the largest number of nonprofits per capita, followed by corporatist countries and social-democratic ones. On the contrary, the data show that social-democratic countries have unexpectedly high rates of overall charitable giving and human services giving, and that corporatist countries have the largest number of nonprofits per capita.

While the first section finds only limited empirical support for social origins theory in analyzing wealthy countries, the second section demonstrates the utility of the theory in analyzing the nonprofit sector in developing countries. Most of these countries are progressing along corporatist lines, as government actors try to coopt and control the nonprofit sector through regulation, funding, and the creation of government-sponsored nonprofits. However, government success with this strategy varies: the governments of China and Vietnam have succeeded in creating a nonprofit sector under government control, while in Egypt and Indonesia the nonprofit sector not only became independent but also helped in

the overthrow of authoritarian regimes. Few countries have developed into liberal or social-democratic models. One important difference between present-day developing countries and the history of European countries is the existence and influence of foreign funding and international models. These structures have helped the nonprofit sector in South Korea and Taiwan become stable and sustainable after foreign funding was withdrawn. However, in the countries of the Caribbean, Bulgaria, and others, foreign funding failed to achieve the same results.

1. Social Origins Theory

Salamon and Anheier (1998; also Anheier & Salamon 2006; Salamon et al. 1999, 2004) have provided the most influential theory of how historical events explain present-day variation in the nonprofit sector across countries. They base their theory on Barrington Moore, Jr.'s (1966) analysis of how past political and economic struggles among landed elites, the bourgeoisie, the working class, the peasantry, and the state explain the evolution of industrialized countries into capitalist, fascist, and socialist forms of government. They also draw on the work of Esping-Andersen (1990), who explains how and why the welfare state took on different forms in the countries of Europe and North America. Like Moore, Esping-Andersen sees the modern welfare state as the outcome of a struggle among elites, the working class, the bourgeoisie, and the government. In modern day *liberal* states (the United States, the United Kingdom, Canada, and Australia), democratic government evolved before the development of the welfare state and was dominated by the middle class. As such, these countries developed a limited welfare state, in which the government makes means-tested payments to the 'deserving poor' and provides some unemployment insurance to workers. In modern-day *social-democratic* states (Finland, Sweden, Denmark, the Netherlands, and Norway), working-class elements gained enough power to successfully push for a welfare system that covers all citizens. In *corporatist* states (the rest of Western Europe), the welfare state developed under the control of non-democratic governments, which became democratic later. State actors allied with wealthy elites to create a welfare system that provided services

to the poor and working classes, thereby preventing social unrest while also preserving class distinctions and privileges.

Salamon and Anheier apply Esping-Andersen's (1990) categorization to the nonprofit sector and classify his three categories along two axes, one for government social welfare spending and another for the size of the nonprofit sector. Liberal states have a large nonprofit sector and low government social welfare spending, corporatist states have a large nonprofit sector and high government social welfare spending, and social-democratic states have a small nonprofit sector and high government social welfare spending. The two by two table implies the existence of a fourth cell containing countries with a small nonprofit sector and low government social welfare spending. Salamon and Anheier label this category *statist* and place Japan in this category, arguing that the state retained more autonomy in Japan than in the corporatist countries of Europe. The other three cells have the same countries as Esping-Andersen's classification, except that Salamon and Anheier classify the Netherlands as corporatist and Italy as social-democratic.

Table 1: Salamon and Anheier's classification of states

	Low welfare spending	High welfare spending
Small nonprofit sector	Statist Elites dominate the state Japan	Liberal Middle class dominates U.S., U.K., Canada, Australia
Large nonprofit sector	Corporatist Elites dominate, but make concessions to the middle and working class France, Germany, the Netherlands, most of Europe	Social-democratic Working class dominates Scandinavian countries and Italy

Two authors have modified Salamon and Anheier's typology. Siveskind and Selle (2009) reduce Anheier and Salamon's four categories to two: 'liberal' and 'European'. The liberal category includes the United Kingdom, Australia, and the United States, while the European category includes both the corporatist and social-democratic categories. They argue that government welfare spending and religious homogeneity define the categories, with liberal countries low on both factors and European countries high on both factors. Archimbault (2009) adds the categories of 'emerging' and 'post-communist' to extend the typology to Eastern and Southern Europe. The emerging countries of Southern Europe (Spain, Portugal, and Greece) have only recently developed a nonprofit sector because dictatorships prevented their development. Government contributes little to the nonprofit sector, private donors contribute a lot, and most nonprofits work in social services and education. The post-communist countries of Eastern Europe have a small and new formal nonprofit sector, which works mainly in culture and recreation.

2. Applying social origins theory to giving in democratic countries

2.1 Hypotheses: Anheier and Salamon's (1998) classification scheme implies three predictions about charitable giving in social-democratic, corporatist, and liberal countries. As their statist category is poorly defined, I exclude this category from these hypotheses and discuss it in the next section.

H1: Charitable giving is highest in liberal democracies, followed by corporatist democracies and then social-democratic countries. In liberal democracies, the state provides fewer social services, and people believe that providing for basic needs is the joint responsibility of the state and charitable organizations. The state does little to regulate or control nonprofits; thus, many nonprofit organizations compete in soliciting donations. These two factors would be expected to make charitable giving high. In corporatist states, the government takes a larger responsibility for social welfare and supports certain nonprofits, giving donors less of a role and fewer choices. In social-democratic countries, the government takes full responsibility for providing for basic needs. Citizens know that their high tax payments cover social needs, so they are less inclined to donate money.

H2: Liberal countries have the highest level of donation to services (health, education, poor relief, and housing), followed by corporatist, then by social-democratic countries. The rationale for this hypothesis is similar to that of the first hypothesis: donors are more likely to give money to social services charities in countries where the government takes less responsibility for social services, and where a diverse nonprofit sector gives donors greater choice and competition for their donations.

H3: Social-democratic countries have the highest donations to expressive, advocacy, and international causes, followed by liberal, and then by corporatist countries. Anheier and Salamon (1998) argue that the government's takeover of social welfare does not eradicate the urge to donate money, but transfers the target of donation from basic services to other areas. They label these other areas 'expressive', a category that includes arts, culture, recreation, the environment, and advocacy. As international giving involves providing services to people not covered by the welfare state's safety net, I include international giving in this category. Sokolowski (2013) has found that donors in social-democratic countries transfer their giving from basic needs to expressive purposes. Following Sokolowski, I hypothesize that donors living in social-democratic countries, where the government has the highest role in social welfare provision, will experience the most transference of giving from basic services to expressive organizations. Less transference will occur in corporatist countries, where the government has a slightly less dominant role, and the least will occur in liberal countries, where the government does not guarantee social welfare and thus private charities must provide more basic services.

H4. Liberal countries will have the largest nonprofit sector, followed by social-democratic countries and then corporatist countries. Anheier and Salamon's theory predicts that the number of nonprofits is highest in liberal countries, where the government's lack of social welfare provision and permissive regulation of nonprofits allow many to emerge. Nonprofits are also predicted to be numerous in social-democratic countries, where expressive organizations thrive and volunteerism is high. Corporatist countries are predicted to have the lowest number of nonprofits per capita, as the government's alliance with and funding of large nonprofits tend to keep smaller nonprofits from forming.

2.2 Method: To test these hypotheses, I classified the wealthy democratic countries in this volume into liberal, corporatist, and social-democratic categories, leaving out Japan and the poorer and non-democratic countries. The liberal countries are Australia, Canada, the United Kingdom, and the United States. The corporatist countries are Austria, France, Germany, Ireland, Israel, and South Korea. The social-democratic countries are Finland, the Netherlands, Norway, and Switzerland. Anheier and Salamon do not classify Switzerland, Ireland, Israel, and South Korea, so I classified them using the information in the country chapters. Anheier and Salamon classify the Netherlands as corporatist, but I follow Bekkers and Wiepkink (this volume) and include it with the social-democratic countries. Data on overall giving is available for all of these countries, but information on giving by sector is available only for Austria, Finland, France, the Netherlands, Norway, Switzerland, and the United States.

In addition to the data collected for this book, I used one other data set to test hypotheses, the 2011 Gallup World Poll (GWP). The 2011 GWP collected nationally representative samples of over 150 respondents in 153 countries, including all of the countries represented in this book (Charities Aid Foundation, 2012). The GWP asks respondents whether they donated money to charity during the last month, but does not ask for the type of charity or the amount.

2.3 Results: The first hypothesis, that charitable giving is highest in liberal democracies, followed by corporatist and social-democratic states, is not supported (Table 1). Examining the data gathered in the country chapters of this book, social-democratic countries have the highest percentage of the population who give money to charity (79.0 per cent), followed by liberal democracies (71.8 per cent) and then corporatist countries (63.0 per cent). A comparison of secular giving leads to similar results, with social-democratic countries the highest (78.3 per cent), followed by liberal democracies (71.0 per cent) and corporatist states (54.8 per cent). Data from the GWP provide different results, showing that liberal countries have the highest donation rate (69.1 per cent), followed by social-democratic (55.3 per cent) and corporatist (48.0 per cent). The inconsistent findings among these data sets show how different survey methods can significantly affect the amount of giving reported. In both datasets, corporatist countries

have the lowest rate of giving, but the data sets disagree on whether liberal or social-democratic countries have the highest.

[Table 1 here]

When examining the amount donated, the first hypothesis is supported. Liberal democracies have the highest average donation (\$1,088), followed by corporatist countries (\$566), and then social-democratic ones (\$325). The high level of donations in liberal democracies is driven primarily by the extremely high average donation of \$2,486 in the United States, as the level of giving in both Australia (\$391) and Canada (\$387) is almost as low as the social-democratic average. Furthermore, the high average donation in the United States is in part a function of high levels of religious giving, as the average donation to religious causes is \$2,296 and the average donation to secular causes is only \$1,133.

Similarly, Salamon and Anheier's theory is supported by the data taken from the Johns Hopkins Comparative Civil Society project (Salamon et al. 2004) on donations as a percentage of overall nonprofit funding. Donations form the highest percentage of nonprofit funding in liberal democracies (9.3 per cent), followed by corporatist states (6.3 per cent) and social-democratic countries (5.3 per cent). Similarly, donations as a percentage of GDP is highest in liberal countries (0.66 per cent), followed by corporatist (0.43 per cent) and social-democratic (0.30 per cent) countries.

Why are citizens of the United States more generous in the amount donated, but not more generous in their likelihood of donation? The answer may lie in the large income and wealth inequalities of the United States, strong tax incentives that disproportionately benefit the wealthy, and popular support for religious institutions. There are also measurement issues involved, as the survey used as the source of the US data only counts donations of more than \$25, while the surveys used in other countries count any donation, regardless of size. Thus, while Anheier and Salamon's theory is partially supported, the evidence rests upon a single outlying case.

The second hypothesis, that liberal countries give the most to social services, followed by corporatist and then social-democratic, is not supported (Table 2). For health, the social-democratic countries have the highest rate of donation (66.5 per cent), followed by the United States (23 per cent),

which is the only liberal country for which we have giving data by sector, and then corporatist countries (22.5 per cent). For education, the liberal United States has a higher rate of giving (16 per cent) than the corporatist average (10 per cent) or the one social-democratic country for which data are available, the Netherlands (7 per cent). For human services, social-democratic countries have the highest rate of donation (38.5 per cent), followed by corporatist countries (29.0 per cent) and the liberal United States (29 per cent).

[Table 2 here]

Data on expressive, advocacy, and international causes supports the third hypothesis, that social-democratic countries will have the highest donations, followed by corporatist countries and then liberal states (Table 2). As predicted, social-democratic countries have the highest rate of giving to arts and culture (16.0 per cent), followed by the United States (8 per cent) and corporatist countries (3.5 per cent). Environmental giving is highest in social-democratic countries (42.0 per cent), followed by corporatist countries (16.0 per cent) and the United States (9 per cent). Giving to international relief efforts is also highest in social-democratic countries (51.5 per cent), followed by corporatist countries (12.5 per cent) and the United States (5 per cent).

Hypothesis four, that liberal and social-democratic countries would have the largest number of nonprofits, was not supported (Table 1). Liberal countries have the smallest number of nonprofits per capita, with an average of 4.0 per 1,000 people, while social-democratic countries have an average of 11.9 per 1,000 people, and corporatist countries have the highest number, with 32.6 per 1,000 people. Furthermore, the categories themselves seem of little use in classification as the numbers vary so much within each category. Social-democratic countries range from a low of 5.6 nonprofits per 1,000 people in Norway to a high of 26 per 1,000 in Finland. Corporatist countries range from a low of 0.2 per 1,000 in South Korea and 2 per 1,000 in France to 86 per 1,000 in Ireland and 90.9 per 1,000 in Israel. Only in the liberal countries are the numbers similar, ranging from 1.7 per 1,000 people in the United Kingdom to 6.2 per 1,000 in Canada. Differences in how nonprofits are classified, registered, and counted in each country probably explain some of the wide variation in these numbers, but the diversity within each category is

still striking. When variation within categories is as great as variation among categories, the validity of the categorization itself is doubtful.

2.4 Discussion: Even for wealthy, democratic countries with a European culture and history, Salamon and Anheier's social origins theory is of limited use. As shown above, their theory fails to predict present-day cross-national variation in charitable giving and the size of the nonprofit sector. Furthermore, the historical claims of their theory have never been rigorously tested. Their original (1998) article proposing the theory offers only about five pages of historical data backing up their developmental hypotheses. While the intent of their original article was only to sketch the outlines of their theory, neither the authors nor any other scholars have conducted comparative historical research during the fifteen years since their original publication that would put the theory on firmer footing. Salamon and colleagues' (1999, 2003) follow-up volumes provide cross-national comparative data about the present-day nonprofit sector, but the historical sections of each country chapter are only brief sketches of a page or two in length. No concluding chapter combines this historical data into a single comparative analysis.

Salamon and Anheier's reasoning can be circular, as they place countries into categories based on outcomes rather than history. As Ragin (1998) points out, Salamon and Anheier classify Italy as a social-democratic country due to its high social welfare spending and small nonprofit sector, even though Italy does not have the same history of democratic development and working class power as the Nordic countries. As in Germany and other corporatist states, Mussolini's absolutist government both created a strong state welfare system and placed limits on the development of nongovernmental organizations. Nevertheless, Salamon and Anheier "force-fit Italy into the social-democratic type, when in causal terms it looks much more like a corporatist regime" (Ragin 1998, p. 269).

On theoretical grounds, Salamon and Anheier's theory is incomplete. While class struggles for control of the state probably had an effect on the size and nature of the nonprofit sector, the authors overlook other causes. Ragin (1998) criticizes Salamon and Anheier for relying too much on Moore (1966) and Esping-Andersen (1990). Bambra (2007) notes that Esping-Andersen's work has itself received many challenges since its initial publication, and criticizes scholars who rely too heavily on his

typology without considering its limitations. Ragin highlights the work of Rokkan (1970), among others, in identifying other historical causes, which include ethnolinguistic diversity and the timing of state formation.

The most important missing variable in Salamon and Anheier's typology is religion (Ragin 1998). Rokkan (1970) considers whether a country became Catholic or Protestant, whether Catholic countries retained a Protestant minority, and what relationship has existed between the state and the church. As religion is an important concern in Esping-Andersen's (1990) original work, it is puzzling that Salamon and Anheier do not use this aspect of his theory. Smith and Grønberg (2006) also highlight the importance of religion in explaining cross-national variation in the nonprofit sector, citing the work of James (1987), Alber (1995), and Morgan (2002). Moreover, Siveskind and Selle (2009) make religion a primary causal variable, explaining cross-national variation in nonprofit sector employment with a model using three variables: religious homogeneity, social welfare spending, and income from donations.

3. Extending social origins theories to poor and non-democratic countries:

Anheier and Salamon's social origins theory focuses on the countries of Western Europe and the former British colonies of Australia, Canada, and the United States. They include Japan in their original analysis, creating the category of statist to cover this one country (Salamon & Anheier 1998), and later mention Brazil as a second example of a statist country (Anheier & Salamon 2006). In this present volume, the authors of the chapters on Bulgaria, China, Egypt, Hong Kong, Indonesia, Lebanon, Mexico, Russia, Taiwan, and Vietnam have followed Anheier and Salamon in labeling their countries as statist, but such a diverse range of countries deserves more than one category. Anheier and Salamon describe statist countries as those in which both government social welfare spending and the nonprofit sector are small. Their single example, Japan, developed this way because the state retained power which it exerted "on its own behalf, or on behalf of business and economic elites, but with a fair degree of autonomy sustained by long traditions of deference and a much more pliant religious order" (Salamon & Anheier 1998, p. 229).

Rather than force all of these countries into the statist category, I believe it makes more sense to compare wealthy democracies with poor countries, leaving Japan as a special case in neither category. Wealthy democracies can divide into Salamon and Anheier's liberal, corporatist, and social-democratic categories, although there are problems even with these categories, as our test of hypotheses in section two shows. Poor countries are not statist—representing the end of a path of development—but rather are on a path of development that has not yet led them to one of Esping-Andersen's three outcomes.

Why leave Japan a special case? Salamon and Anheier's theory, and the theory of Esping-Andersen (1990) upon which it is based, assumes a European cultural background, including Christian notions of charity, the historical struggle between Catholicism and Protestantism, and a complex power relationship between the Christian church and the state. This cultural background also includes an intellectual and political background of conflict among liberal democratic, Marxist, Fascist, socialist, and conservative ideologies. Japan's history has none of these elements, so it has followed a different path in its formation of a welfare state and nonprofit sector. Haddad's (2011) analysis of Japan's nonprofit sector supports the theory that the country is an exceptional case and proposes a 'state in society approach' to understanding it.

The remaining countries in this volume seem to share only the fact that they are less wealthy and less democratic than the countries of Western Europe, North America, and Australia. Considering social origins theory as a developmental theory, one can view these countries as being at an earlier stage in the path of development to a welfare state and nonprofit sector. If this is true, then one can use social origins theory to not only classify present-day poor countries according to the history of present-day wealthy countries, but also predict where their development will take them. For lack of a better term, I will use the words 'developing' and 'poor' to describe the non-wealthy and non-democratic countries profiled in this volume: Bulgaria, the countries of the Caribbean, China, Egypt, Hong Kong, Indonesia, Lebanon, Mexico, Russia, Taiwan, and Vietnam.

One implication of this developmental view of social origins theory is that poor countries do not have smaller nonprofit sectors because they are at the end of a statist path of development; rather, they

have smaller nonprofit sectors because they at an early stage in a path that might lead to a corporatist, liberal, or social-democratic system. But do these countries have smaller nonprofit sectors? The data from this volume shows that they do. The probability of making a donation for a resident of a wealthy country is 69.6 per cent, while the probability of making a donation in poorer countries is 51.8 per cent (Table 1). In this analysis, democratic countries include liberal, corporatist, and social-democratic countries, but exclude Japan. As the surveys used in Bulgaria and Russia count any donation made in the previous two or three years, while the surveys used in democratic countries only count giving made in the last year, the percentage for non-democratic countries would be even smaller if the same time period was used. Considering only secular giving, similar results are found: the probability of giving in wealthy democracies is 63.4 per cent versus 44.7 per cent in poor and non-democratic countries. The data from the GWP show the same pattern, with a 56.1 per cent average probability of residents of wealthy countries making a donation and a 32.0 per cent average probability for residents of poor countries (Table 1).

Since poor countries' governments do not have adequate tax revenue to guarantee social services to all citizens, one would expect the citizens of those countries to fill the gap by donating more money to service nonprofits than expressive organizations. This theory is supported by the data, which show that the people living in poor countries are most likely to give to human services charities (37 per cent), followed by education (29 per cent) and health (11 per cent). The people in poor countries are least likely to give money to expressive organizations, such as arts and culture organizations (6 per cent) and environmental organizations (6 per cent). The average probability of donation to education is higher in poor countries (29 per cent) than in wealthy democracies (10.8 per cent), and the probability of giving to human services is similar in poor (37 per cent) and wealthy countries (34 per cent). In all other categories, people living in wealthy democracies are more likely to give.

In regards to the political relationship between the state and the nonprofit sector, there are five possible ways these two can relate: separate spheres, abolition, state control, nonprofit influence, and collaboration. First, the state and nonprofit sector can operate in separate spheres, with the nonprofit sector providing charitable aid with little assistance or regulation from the state. No wealthy democratic

country exhibits this relationship today, but the liberal countries of Canada, the United States, England, and Australia followed this model in the 19th centuries. The state can also abolish the nonprofit sector by making it illegal, as France did after the 1789 revolution, as communist countries did through most of the twentieth century, and as some dictatorships do today (Heurlin 2010).

Assuming that the state neither abolishes nor ignores the nonprofit sector, the two will interact on policy issues with varying degrees of conflict and cooperation. The state can attempt to control the nonprofit sector through funding and regulation (Heurlin 2010); the nonprofit sector can attempt to influence the state through lobbying, advocacy, and alliances with political parties; or the two sectors can collaborate to set policy and provide services. These five options do not form ideal types, and I am not proposing a division of states into five groups. Few states today have completely outlawed the nonprofit sector, although many try to discourage its development, and no government completely ignores nonprofits. In most states, the relationship between the state and the nonprofit sector is located on a continuum between state control of nonprofits and nonprofit influence over the state. The nature of these relationships may vary by sector and field in degrees of cooperation, contention, and domination.

Looking at the early political relationship between the state and the nonprofit sector in Europe and North America helps explain Anheier and Salamon's categories of liberal, social-democratic, and corporatist. Liberal countries had an early history of separate spheres, with an autonomous nonprofit sector providing charitable assistance without much involvement by the state. As these countries developed a welfare state in the twentieth century, the nonprofit charitable sector continued to function somewhat independently. Social democratic countries had a powerful nonprofit sector allied with labor unions that exerted a strong influence on the government, leading the government to create a welfare state that took over many of the nonprofits' social welfare functions. Corporatist countries had elite-controlled governments that succeeded in coopting the nonprofit sector, providing social services in a way that maintained class distinctions and kept the sector under state control.

As the chapters in this book show, the corporatist category contains great variation, with the government dominant in some countries and the nonprofit sector relatively powerful in others. In Austria,

nonprofits began to play an active political role in the late nineteenth century. Under Nazi rule, the government dominated the nonprofit sector, but nonprofits reconstituted themselves after World War Two as allies of either the Social Democratic or the conservative People's Party. In Ireland, the close association between the government and the Catholic Church led the government to assign social welfare provision to a small number of church-sponsored charities, preventing the development of a secular nonprofit sector until recently. In France, nonprofits were outlawed throughout the nineteenth century, but during the twentieth century their relationship with the state "evolved from distrust and confrontation to complementarity" (Gautier and Pache, this volume). In Israel, the nonprofit sector was first associated with the Zionist movement's desire to create a Jewish state in Palestine. When this effort succeeded, nonprofits allied closely with the state, creating a corporatist regime that has become less state-dominated and more confrontational over time.

Do the histories of present-day wealthy democracies allow us to predict the future of present-day developing states? In other words, are developing states at an earlier stage on the same path, or are they likely to follow a different path of development of the nonprofit sector? On the one hand, most developing countries do not have a Christian, European culture and history, so their development will likely differ from that of Western European countries. On the other hand, developing countries exist in a world in which strong welfare states and nonprofit sectors already exist; thus, the wealthier countries influence their development, both directly through funding and indirectly through norms and culture.

The most obvious way in which the existing nonprofit sector in wealthy countries affects the development of the nonprofit sector in less wealthy countries is through direct funding. The chapters on South Korea and Taiwan describe how international funding has helped create local nonprofits, which continue to flourish even after these two countries have reached higher levels of development and international funders have pulled out. In Lebanon, international giving from governments, Western nonprofits, and the Lebanese diaspora makes up a large part of local nonprofits' funding, and donations from citizens in other countries is also important in Mexico and the Caribbean. Finally, one reason that

the governments of Vietnam and China created their own nonprofit organizations was to facilitate the receipt of money from foreign donors, who wanted to fund and collaborate with local nonprofits.

Direct international assistance does not always succeed in creating an indigenous nonprofit sector. Infusions of international funding did not have a lasting positive effect in Bulgaria and the Caribbean, in which many local nonprofits disappeared when international funding disappeared. For Russia, the history of communism extends longer than other Eastern European countries, beyond all historical memory of nonprofit institutions; as such, the collapse and slow recovery of the Russian economy after communism prevented the nonprofit sector from developing as it did in other Eastern European countries. As Nezhina and Ibrayeva (2013) demonstrate in their analysis of Kazakhstan, simply providing external funding cannot create an effective nonprofit sector in a country where there is no domestic culture or tradition of the nonprofit form.

A less obvious way in which the existing nonprofit sector in wealthy countries may affect the development of the nonprofit sector in poor countries is the spread of global norms and culture. Poorer countries look to wealthier ones for good ideas on how to develop their economy and society; while organized charity and mutual assistance is a feature of almost every society, the formally organized nonprofit is associated with Western culture. Many government and private actors in the developing world perceive the nonprofit form as a useful one and decide to bring that form to their own country. Boli and Thomas (1997) note how the number and diversity of international nongovernmental organizations has increased over the last century, illustrating the spread of the nonprofit form as a global cultural norm. Bieri and Valev (this volume) note how international culture affected domestic traditions in Bulgaria, where the development of the nonprofit sector occurred from the top down through “international organizations that channel best practices.”

As the nonprofit organizational form has spread from the industrialized world to the developing world, governments have had to decide how to respond. Heurlin (2010) notes that the existence of a nonprofit sector can pose a threat to non-democratic states, as nonprofits create a space for independent citizen participation, compete with the government in the provision of services, and sometimes advocate

directly for political rights and policies. Non-democratic governments can use an exclusionary strategy to respond to this threat, either outlawing nonprofits or severely restricting their operation. Governments can also follow a corporatist strategy, trying to coopt the sector and turn it into an arm of the state. Heurlin further proposes that different types of states prefer each type of strategy, with personalist dictatorships tending to outlaw the nonprofit sector and one-party states trying to coopt it. Since personalist dictatorships have a narrow base of support and use force to stay in power, they lack the broad public support that would allow them to put allies and supporters in positions of power in nonprofits, so they tend to follow an exclusionary strategy. One-party states can effectively mobilize party members to get involved in nonprofits, making a corporatist strategy advantageous for them. The exceptions to this rule are one-party states that follow a socialist economic strategy. As socialist ideology views government as the sole provider of all social goods, such countries find no reason for a nonprofit sector to exist. When single party socialist countries convert to a semi-market economy, they are well situated to start a government-controlled nonprofit sector.

Historically, the Soviet Union, other formerly communist countries, and France outlawed the nonprofit sector entirely, but this exclusionary strategy is less common today and adopted by none of the countries described in this book. Most non-democratic governments attempt to control the nonprofit sector through a corporatist strategy. Of the countries in this book, the most successful have been the one-party states of Taiwan, China, and Vietnam, whose success Heurlin (2010) describes in detail. In Taiwan, an “ideal case of corporatist strategies” (Heurlin 2010, p.234), the ruling nationalist party established its own government-controlled non-governmental organizations in the 1950s, using regulatory statutes to repress some existing nonprofits and coopt others. China and Vietnam are one-party communist states that liberalized their economies in recent decades without liberalizing their political systems. By creating and funding their own nonprofits, regulating non-government sponsored nonprofits, and suppressing those that make too direct a political challenge to the state, the governments of Vietnam and China have managed to foster the development of a substantial nonprofit sector that remains firmly under state control. The people of China and Vietnam seem to support this solution, as indicated by the fact that

government-controlled NGOs and the governments themselves are some of the main recipients of private charity (this volume).

However, other countries have less successfully moved from an exclusionary strategy to a corporatist one. In Egypt, the government nationalized charities along with much of the private sectors in the 1950s, but then allowed private charities to operate again as part of a general liberalization strategy beginning in the 1980s. Despite attempts to implement a corporatist strategy of control over the nonprofit sector, the government lost control of civil society in the events leading to the overthrow of President Hosni Mubarak. The new rulers of Egypt seem to regard many nonprofits as a threat and have thus adopted exclusionary strategies towards some of them, particularly those that receive foreign funding. In Indonesia, the Suharto regime tried to control nongovernmental organizations but did so ineffectively (Heurlin 2010), and the political advocacy of these organizations contributed to the regime's overthrow.

One interesting common theme among the country chapters is how natural disasters can create a challenge to the state and an opportunity for the nonprofit sector. In Mexico and Japan, the failure of the government to respond effectively to earthquakes created widespread popular discontent with government domination of relief assistance, while grassroots efforts to help survivors showed how voluntary action can succeed where government failed. In both countries, the earthquakes spurred reforms to government policy, allowing the emergence of new nonprofits, which people supported with donations. In China, however, people perceived the government's response to the 2008 Wenchuan Earthquake to be effective, as the majority of citizens donated money to the government's relief efforts, not to nonprofits.

The other developing countries profiled in this volume show great diversity in how their nonprofit sectors have developed. Mexico's one-party state adopted a corporatist strategy throughout most of the twentieth century, but opportunities for nonprofits have expanded with the country's transformation to contested elections in the 1990s. South Korea has followed a rapid path to a developed nonprofit sector, having almost no domestic charitable giving during its period of dictatorship, the country quickly developed a nonprofit sector after its economy boomed and its political system became democratic. The authors of the South Korea chapter label it as corporatist, but their description indicates that the

relationship between the government and nonprofits is more collaborative than state-controlled. The nonprofit sector's access to international funding during its formative years may have helped it become more independent of state control.

While private giving to government agencies may occur as the result of a government's successful domination of the nonprofit sector, it can also occur in countries where the government is weak. In these cases, donations seem to indicate donor support of the effectiveness of government institutions but lack of confidence in the government's ability to fund them. In Bulgaria and some Caribbean countries, private donors fund government-run hospitals, schools, and museums because they know the government is not able to do so itself.

Finally, non-democratic countries do not always follow a smooth upward path in the development of a nonprofit sector. Hong Kong had developed along liberal lines until 1997, when the colony's return to China overturned the formerly friendly relationship between nonprofits and the government, halting much of the government's funding of the sector. In Lebanon, nonprofits provide basic services independent of the government using foreign aid and diaspora contributions, because they do not have confidence in the government's ability to provide this assistance itself. In Russia, economic crisis and the failure of the country to develop a truly democratic system has prevented the nonprofit sector from growing.

How can one classify the diverse outcomes of developing countries? By development, one can mean economic development from poverty to wealth, and political development from dictatorship to democracy. When countries progress both economically and politically, they develop robust nonprofit sectors, as South Korea has done and Taiwan is beginning to do. When countries progress economically but remain single party states, they develop government-dominated corporatist sectors, such as in Vietnam and China. When countries fail to develop in either area, the nonprofit sector stagnates as it has in Russia and Bulgaria, or remains dependent upon international funding as it has in Lebanon. The size and composition of the nonprofit sector should have an effect on charitable donations, but there is not enough data on enough developing countries in this volume to test this relationship statistically.

For currently developing countries, it seems most will follow a corporatist model as their economies and political systems develop and their nonprofit sector grows. In Esping-Andersen's and Salamon and Anheier's typology, liberal states developed a welfare state and nonprofit sector after the development of democracy, while social-democratic states took over the provision of welfare services early, under the influence of a strong labor party. In some other states, the government banned or greatly restricted the operation of nonprofits. Presently, most developing governments are following a corporatist model, trying to reap the benefits of a nonprofit sector while keeping it under the political control of the state. In states with weak governments and significant outside funding, as in Lebanon, the nonprofit sector may develop along liberal lines. Socialist states that develop politically enough to embrace democracy, while developing economically enough to fulfill socialist promises to provide welfare benefits, may eventually become social-democratic, although they seem more corporatist now.

4. Conclusion:

This chapter tested predictions derived from Salamon and Anheier's social origins theory on cross-national differences among wealthy democracies in the probability of donating money and the amount donated. It found only partial support for their theories. People living in liberal democracies were not more likely to donate money than people in social-democratic or corporatist countries, but they did donate larger amounts. People in liberal democracies did not donate more to social welfare charities, but people in social-democratic countries were more likely to donate to expressive causes. Against expectations, corporatist countries had more nonprofits per capita than liberal or social-democratic countries.

This chapter also applied historical analysis to present-day developing countries, treating them as if they were at an early stage on the path of development of a nonprofit sector. The governments of most of the developing countries covered in this volume are pursuing corporatist strategies, in an attempt to reap the benefits of having a nonprofit sector to help with service provision while preventing the sector

from becoming a political threat. While corporatism seems to be the dominant strategy, it is possible that a liberal regime may emerge in poor countries with weak governments and strong international funding, or that a social-democratic regime may emerge in formerly socialist states that develop economically and politically into a democracy.

Overall, the general strategy of social origins theory is a powerful one, but Salamon and Anheier's use of that strategy is theoretically incomplete and receives only modest empirical support. Future research on the history of the nonprofit sector in wealthy countries should examine the role of ethnolinguistic diversity, the timing of state formation, and above all the role of religion and the relationship between church and state. Future research on the nature of the nonprofit sector in developing countries should use the history of developed countries as a guideline. This research should keep in mind the religious and cultural differences between Europe and the rest of the world, but also should account for the strong influence that the nonprofit sector in the developed world may have on the nonprofit sector in developing countries. Greater understanding of the historical origins of the nonprofit sector will allow for better explanations of current differences in individual philanthropy in wealthy democracies, and better predictions of the future role of individual philanthropy in developing countries.

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Table 1:

Country	Any giving	Religi ous giving	Secula r giving	Any giving - Gallup	Average total donation	Averag e secular donatio n	Average religious donation	Registered nonprofits (1000's)	Population (millions)	Nonprofi ts per 1000 people	Fundin g from donations
LIBERAL:											
Australia	74			71				55	20	2.8	6
Canada	85	38	81	62	387	224	385	198	32	6.2	
United Kingdom	58			79				100	60	1.7	9
United States	70	46	61	65	2486	2269	1133	1600	298	5.4	13
Total:	71.8	42.0	71.0	69.3	1436.5	1246.5	759.0	488.3	102.5	4.0	9.3
SOCIAL-DEMOCRATIC:											
Finland	70	a	70	49				130	5	26.0	3
Netherlands	94	37	93	75	338	394	206	55	16	3.4	6
Norway	76	15	72	43	312	209	103	28	5	5.6	7
Switzerland	76	32.7		54				100	8	12.5	
Total:	79.0	28.2	78.3	55.3	325.0	301.5	154.5	78.3	8.5	11.9	5.3
CORPORATIST:											
Austria	67	23	58	50	98			118	8	14.8	6
France	66	16	64	28	176			130	65	2.0	8
Germany	40	a	40	49	299			105	65	1.6	3
Ireland	61	50	33	75	906.98	642.46	735.07	344	4	86.0	7
Israel	66.4	20.8	62.7	52	1350			636	7	90.9	10
South Korea	77.7	29.7	71.2	34				12	50	0.2	4
Total:	63.0	27.9	54.8	48.0	566.0			224.2	33.2	32.6	6.3
WEALTHY: POOR/STATISTICIAN:											
	70.1	30.8	64.2	56.1	705.9			257.9	45.9	18.5	6.8

Bulgaria	43		43	13		34	7	4.9
China	52	1	52	14		436	1308	0.3
Egypt				21		31	85	0.4
Hong Kong	51	25		73		5	7	
Indonesia				72			223	
Japan	34			24			128	3
Lebanon				40		5	4	1.3
Mexico	92	84	70	28		40	107	0.4
Russia	51			5		430	142	3.0
Taiwan	22	12	12	39		16	23	0.7
Vietnam				23			84	
ALL POOR/STATIS								
T:	49.3	30.5	44.3	32.0		124.6	192.5	1.6
								3

Table 2: Percentage of the population making donations to nonprofits in different sectors

	Arts/culture	Education	Environment	Health	Human services	International emergency
Liberal:						
US	8.0	16.0	9.0	23.0	29.0	5.0
Social-democratic:						
Finland			30.0		36.0	
Netherlands	13.0	7.0	54.0	85.0	37.0	59.0
Norway				48.0	31.0	44.0
Switzerland	19.0				50.0	
	16.0	7.0	42.0	66.5	38.5	51.5
Corporatist:						
Austria	1.0	5.0	20.0	8.0	33.0	6.0
France	6.0	15.0	12.0	37.0	25.0	19.0
	3.5	10.0	16.0	22.5	29.0	12.5
All rich:	9.4	10.8	25.0	40.2	34.4	26.6
Statist:						
China		8.0	6.0	3.0	20.0	
Hong Kong		40.0			76.0	
Mexico	6.0	40.0	6.0	30.0	38.0	
Taiwan				1.0	12.0	
All poor:	6.0	29.3	6.0	11.3	36.5	