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(Re)Considering The Independent Sector¹

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Richard Cornuelle's *Reclaiming the American Dream: The Role of Private Associations and Voluntary Associations (RtAD)* has been subjected to numerous interpretations in the more than half a century since its original publication in 1965. For many readers familiar with this book, *RtAD* now seems old news; nearly 60 years have passed since its first printing, it references current events from the Kennedy and Johnson years long since past and it seems, at first glance, to be merely a forerunner argument for more recent, up-to-date formulations of the American nonprofit sector. The independent sector Cornuelle sought to articulate way back then is assumed by many to have become the national statistical and organizational configuration others call the "the nonprofit sector" or the "nongovernment sector. The features and character of nonprofit/nongovernment sector is widely studied and written about, and even has its own national trade association named, interestingly enough, INDEPENDENT SECTOR, headquartered (where else?) in Washington DC. Alternatively, for those who choose to read Cornuelle's message as supporting their own pro-market, anti-state politics, "conservative" or "libertarian" positions, *RtAD* is sometimes read as a political manifesto to reinforce such beliefs. Yet none of these interpretations captures the real essence of Cornuelle's argument or acknowledges the full value of his contribution to American culture and understanding of the conceptual space between market and state (Lindblom, 1977).

Those who reread Cornuelle's book, particularly the 1993 Transaction Books edition with its very useful introduction by Frank Annunziata and an afterword by the author will encounter an enlightening, thought-provoking argument that ultimately undermines and subverts many of the things that have been said and believed about the book, and makes clear why the author spent so much time, energy and money in the last years of his life supporting efforts like this conference. The book is not really many of these things that are said about it: It is no more out of date than it is realized in the conception of a "independent" third or nonprofit sector or the trade association-cum-national collaborative named INDEPENDENT SECTOR. Nor does the book have enduring value as a conservative or libertarian anti-state manifesto except

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among a small circle of adherents, comparable perhaps to major 19th century polemics of Proudhon or de Maistre.

RtAD is instead a work whose novelty and freshness continues to enshrine a distinct vision of the important role of the sector or sphere of independent action by private individuals and voluntary associations in American life.² It is, first and foremost, a reaffirmation of continuing American faith in the power of people in their daily lives to act together without the leadership of government (or that other great behemoth, the corporate market) to effect change in their lifeworlds. Independent action is quite apart from – one might say, regardless of – the machinations of the major economic and political institutions of government and markets. This is a message that transcends day-to-day politics – particularly the tawdry, red-blue politics of the present era – and goes to the heart of who we are as a people and a culture.

The purpose of this paper is both to affirm the continuing importance of the *independent sector* as Richard Cornuelle first constructed it in 1965. I seek also to clarify, as he tried to do at various times throughout his life, a few misunderstandings about what Cornuelle actually wrote and later said he intended, and to extend his basic vision of independent action in some additional directions with implications for our evolving understanding of philanthropy. For example, it is very easy to mis-read Cornuelle's book as part of the attempted paradigm shift that Peter Dobkin Hall called "inventing the nonprofit sector" (1992).³ But Cornuelle's independent sector should not be seen as a kind of precursor to later, more detailed, models of the nonprofit sector from Weisbrod (1976), Powell (1987), David Horton Smith (20??) or any of the multiple publications of Lester Salamon (e.g., 2000). Such a misreading is grounded in part in confusion over Cornuelle's use of the term sector. The independent sector as Cornuelle first articulated is, by its very nature, different and distinct from the statistically tabulated national nonprofit sectors of tax-exempt corporations, as that idea has become known among economists, organization researchers and others and enshrined in the annual ARNOVA conferences. In his subtitle as in his text, Cornuelle focuses specifically and exclusively on the role – and the sector, or

² In this paper, two distinct meanings of the term sector are held up and distinguished. In a narrow, technical sense a sector as used primarily by economists and others interested in national income measurement (i.e., the nonprofit sector) is a statistical category reducing large, complex realities to a few standardized measures, numbers or indices. In the more alliterative, literary sense used by Cornuelle and others, a sector is a conceptual space or domain of recognizable social life. Both uses are legitimate, but need to be distinguished.

³ See the discussion of Hoover's associationism in Olivier Zunz, *Philanthropy in America*. Princeton. 2011.

sphere – of private individuals and voluntary associations, while adherents of the nonprofit sector model focus first and foremost on measuring the economic impact of tax-exempt corporations and display little interest in either individual initiatives or voluntary associations.⁴ In Cornuelle’s text independent sector institutions – first and foremost – independent: active, engaged individuals, associations and foundations working outside government and the markets. There is a fundamental point of political sociology at issue here.

The book makes little mention of corporations, tax-exempt or otherwise, or of organizations other than voluntary associations and foundations. Thus, it is safe to assume (albeit in somewhat sociological language) that Cornuelle offered us his vision of the independent sector as the domain of the distinct form of interpersonal relations identified traditionally as voluntary association, and an extended form of interaction by private individuals that in the current vernacular is often termed “networking”. This is, first and foremost, a matter of what social scientists call differing units of analysis: While those working with the nonprofit sector concept are primarily concerned with the macro economic impact of corporations aggregated together in the nonprofit sector, Cornuelle’s concerns are more clearly at the face-to-face, or micro-level of living individuals.

This, combined with Cornuelle’s enduring libertarian outlook, which is evident throughout the main text, and restated in the forward and the afterward, make it safe to assume that in considering the domain of the independent sector Cornuelle had something in mind for the term other than the kind of societal-level cluster of tax-exempt corporations interwoven with government that Salamon (2000), Anheier (2005) the World Bank and others project as the nonprofit sector. In that context, Cornuelle’s use of the adjective *independent* is an important sign of his intent. Lest there be any mistake on this point, Annunzio quotes Cornuelle’s own characterization of a nonprofit sector cooperating with government as “short-sighted, self-defeating and almost totally mistaken.” The independent sector, in Cornuelle’s view, is “not an instrument of the state but ...an essential alternative to the state.” (*RtAD*, xxi)

All of this raises numerous important questions: what Cornuelle really meant by the term independent sector, whether such a thing existed in 1965,

⁴ The continuing furor over the 2010 U.S. Supreme Court ruling in the *Citizens United* case has revitalized old issues of the relation of individual and collective behavior that runs deep into medieval legal origins. While legal scholars may continue to discuss whether and in what sense corporations are legal “individuals”, or persons, it seems clear from the terms Cornuelle chose, from the absence of discussion in the text itself, and his use of the adjective ‘private’ before individuals that Cornuelle did not intend to include corporations-as-individuals in his discussion.

or exists today, or something he envisioned for the far-off future libertarian utopia and why this six-decade old conception may still be important to us today?

The Independent Sector Is . . .

A sector of independent action by individuals and voluntary associations, as envisioned in *RtAD* is (and was, in 1965) not some far-off future ideal state or utopia. There is little doubt that a sphere of independent action by individuals and associations existed in 1965, as it had in earlier American history, and continues to exist today just as Cornuelle characterized it: “society” (that is, social relations) “. . . both free and humane” in which “we meet public needs outside government” not through “grand designs and bold decisions” but rather through “millions and millions of small acts of caring.” The fundamental problem today, as in 1965 and throughout American history, is a problem of proper recognition and acknowledgement of this sphere, not a problem of the existence of what Cornuelle later called “good society.”

An independent sector defined by such acts is a continuing – reality in American life and throughout the contemporary world, although whether it is growing or shrinking at any given moment is something none of us can say for sure. We should not allow ourselves to be distracted from the ever-present importance of the reality of these independent actions by placing undue emphasis on the book’s proposed plan for *expansion* (not establishment) of the independent sector. So, the independent sector exists, as it did in Cornuelle’s time, although the issue of recognition is still with us.

In addition, however, Cornuelle’s argument was not merely to stake a claim of recognition. A major part was a claim for widespread expansion of that sector – particularly into domains like traditional charity and philanthropy where, at the time, governmental action appeared to be expanding rapidly. This was – and is – a clearly polemical element to Cornuelle’s argument in *RtAD* and the basis of his proposed broad strategy of meeting “most” public needs through independent action, rather than through government. Whether the sector of independent action is believed to be small, medium, large, or enormous, whether it is viewed in isolation, or as Cornuelle envisioned it in Chapter 11 and elsewhere, as a sector capable of competition with government, is less important than recognition of the enduring reality and future possibilities of such independent action. Cornuelle is quite correct that some advocates at the time (and since) saw the independent sector in purely residual terms – eventually to be replaced by more permanent governmental action (c.f. Wilensky and LeBeaux, 1965). What he could not have known at the time, however, was how the majority of arguments since *RtAD* first appeared have treated a permanent independent sector of charity and philanthropy as one element of a vastly more complex

range of solutions. This latter approach makes of Cornuelle's approach a kind of "relative advantage" argument. *RtAD* can be seen in at least one sense as an extended discussion of the relative advantage of the independent sector over both markets and states.

The Good Society

In this context of a plurality of approaches each with competing claims of relative advantage, it is important – but controversial – to also keep in mind Cornuelle's emphasis on the apolitical nature of his strategy, as opposed to the highly partisan cloaks worn by most pro- and anti-welfare state arguments offered before and since. In two early chapters, Cornuelle rejected both a liberal strategy of big government (Chapters 2) and its conservative antithesis (Chapter 3) before interweaving his own solution (an independent sector competing with government) tightly with his own libertarian beliefs. We can infer from the text that the independent sector for Cornuelle consisted of three equally important strands:

- 1) Action by private individuals and voluntary associations
- 2) Action in competition with government programs and services
- 3) Apolitical action

Perhaps the most immediate question this raises is what, exactly Cornuelle meant by apolitical action? Is this the same as what others more closely aligned with the progressive tradition have meant by "nonpartisan" or civic action? (Morlan, 1985) Another important question that this raises is whether an independent sector that is genuinely private, competitive and apolitical can eventually attain any kind of broad appeal beyond the book's core constituency, particularly among non-libertarians, or whether the concept of the independent sector will remain, despite its author's intent, political. Another equally important issue is whether apolitical independent action apart from its partisan political appeal will still be valued by those libertarians and conservatives who currently find its non-governmental message most appealing. There is nothing inherent in the idea of an independent sector nor in the strategy of independent action competing with government that should cause non-libertarians to dismiss these as useful ideas. If independent action can outcompete government on such dimensions as cost, quality and effectiveness, so much the better. That is a clearly recognizable sentiment even among those who do not assume, as Cornuelle as believed, that it would.

The basic trio of ideas composing an independent sector has received too little attention since Cornuelle first wrote, and in at least one instance, reinterpreted to suit other purposes. It was a group of that now-seemingly extinct species in American public life known as liberal (or "eastern establishment") Republicans closely associated with John D. Rockefeller III,

assorted national foundations, Yale University, and the Filer Commission who were responsible for the creation and support of the INDEPENDENT SECTOR organization. In its present guise, this latter represents something close to an oxymoron. Located as it is in Washington DC, the organization named INDEPENDENT SECTOR seems more devoted to collaboration with government and a Hoover-style “association government” strategy than to Cornuelle’s independent, competitive, apolitical strategy.⁵

Can Anything Be Permanently Apolitical?

Cornuelle appears to suggest in *RtAD* that an apolitical stance should be sufficient to permanently and completely render matters non-political. In the afterward, he characterizes his work as “a non-political, even antipolitical approach to public policy” (*RtAD*, 178). In this, he is in line with a long line of Americans concerned with philanthropy and voluntary association who have sought to draw a permanent and definitive line between the political and the civic or civil. Alexis de Tocqueville made this same distinction, in *Democracy in America*, between what he termed political associations and civil associations. While this distinction is of no particular importance to architects of the nonprofit sector apart from the trying to resolve the incoherence of tax policy on this issue⁶, it is of critical importance to understanding Cornuelle’s independent sector. Yet, issues and concerns have a way of being politicized that threatens to make of the independent sector a sort of permanent residual status: That which hasn’t been politicized.

Even so, in the absence of a fixed, permanent demarcation between the realms of the political and the civic (or apolitical) in civil life, it would be helpful to better understand the nature of this border. The political philosopher Benjamin Barber offers a potential key here (and there may be others as well) with his notion that the realm of the political is contingent and residual (Barber, 1988, 4-5). Something becomes political, Barber suggests, when it is a matter of uncertainty, and of public concern or attention. By this approach, things are not inherently political or apolitical, but can be politicized and depoliticized in many different ways.

How the Independent Sector Was Politicized

In his introduction to the Transaction Books edition, the author relates the circumstances that led to politicizing his apolitical concept of the Independent Sector. *Look Magazine* in an early review in 1965 termed the

⁵ For the best available discussion of Hooverism and “association government” see Olivier Zunz, *History of American Philanthropy*.

⁶ Zunz (2011) has a variety of interesting things to say on this issue.

book “the New Conservative Manifesto” (*RtAD*, xiii.). That this was not his original intent is clear. “(I)n this way,” Cornuelle wrote, “a movement that was not conservative came to be called conservative, and a non-political, even antipolitical approach to public policy came to be seen as a new and promising political strategy” (Cornuelle, 178).

In his Foreward, Frank Annunziata adds (*RtAD*, xiii-xv), that the reaction to the book was fashioned more by Frank Meyer of the *National Review* and Charles Murray, in the preface to Marvin Olasky’s *The Tragedy of American Compassion*, than by anything that Cornuelle actually wrote. Thus, we have the emergence of that familiar pattern of politicization in American life: if critics and groups of conservatives claim the work as their own, then obviously others must oppose it, regardless of what the author himself wrote, or says he intended.

Liberals are clearly at fault here, but they are hardly alone. In their “bold decisions” to oppose more or less all forms of state action and many forms of non-market philanthropy as instances of the “grand design” of the meliorist welfare state and yet embrace all forms of corporate capitalism it would appear that contemporary “conservative” political candidates and public officials have also chosen to ignore or reject Cornuelle’s plea for community made in *RtAD* and again in *Healing America* (1983):

“In the end a good society is not so much the result of grand designs and bold decisions, but of millions upon millions of small caring acts, repeated day after day, until direct mutual action becomes second nature and to see a problem is to begin to wonder how to best act on it.”

Understanding the importance of the independent sector and American philanthropy are not dependent on allegiance to any political viewpoint or grand theory, or of an particular understanding of states or markets. but rather of interest in, and attention to, those millions of small caring acts. If “small” is read in that quote merely as a synonym for individual, Cornuelle’s notion of millions of small, caring acts in communities serves, in fact, as a tolerably good definition of philanthropy as well as the independent sector.

We should believe him when Dick Cornuelle declared explicitly that his purpose was “to start, rather than finish a search for better understanding of this tradition” (Cornuelle, 1965, 22-23). He might not have agreed, but I would go further and add that locating and encouraging the independent sector is not, as Frank Meyer, Charles Murray and others on the right appear to assert, dependent upon vaporizing some or all of the welfare state first. In fact, there is ample evidence to suggest that in the past half century since *RtAD* (1965) first appeared, many additional millions of such individual acts of caring have been added to the record of the independent sector. In the remainder of this paper, I wish to note four major instances of independent

action by individuals and voluntary associations that have assumed transcendent importance in recent years under the headings of charity organization; disaster relief; social networking technology; and international nongovernmental organizations.

Charity Organization

Because it is a large, complex and highly politicized domain, it may not be evident at first that a bona fide independent sector of millions of caring acts by individuals and voluntary associations has been successfully functioning in most larger American communities for much of American (and their own) history. It generally gets less attention, and often has fewer resources than the governmental, and government-supported charities, but its independence from both government and the market is very real and continuing.

For some members of this audience, the “Reagan Revolution” of the early 1980s is still seen as an attempted beginning of a movement toward a truly independent sector in charity. Cornuelle offers a strikingly different interpretation of these events in his Foreword:

The so-called Reagan revolution was bogus – a disguised tax revolt. It was not an effort to repeal the service state but to preserve it – and to substitute debt or inflation for taxation as a way of paying its politically irreducible costs. But the illusion that gave the Reagan programme its ephemeral plausibility has already faded, and America’s social democracy is caught in a contradiction from which there is no convenient exit. The status quo is impossible to defend and impossible to change. The American policy is reaching a dead end, and libertarian thought, in its present state of development, doesn’t help.” (*RtAD*, xxiii)

The service state – which some have derided as the nanny state – is still largely intact, although Cornuelle might have added that individual nonprofits are now a good bit more adapted to a competitive environment than they were in the 1980s.

Disaster Relief

One area of charity in which independent action by individuals and associations has always been vitally important involves disaster relief. Emily Chamlee-Wright’s numerous publications on the post-Katrina disaster relief efforts highlight processes that anyone who has participated in a local community recovery effort is aware of: The very healthy and at times highly competitive relations between governmental and nongovernmental relief efforts (c.f., Chamlee-Wright, 2010a; Chamlee Wright & Storr, 2010). The cooperative, competitive and combative relations of government and the

government-related nonprofits are often quite complex and difficult to sort out. Not only the public FEMA (federal emergency management agency) and state and local government efforts including police and fire “first responders”, but also established quasi-public entities (e.g., the Red Cross), nonprofits like the Salvation Army, but also very frequently local start-up voluntary associations.

One of the things that has been most clear in every single disaster situation has been the more-or-less spontaneous rising up of independent action by individuals and voluntary associations determined to help themselves and their neighbors.

Social Networking Technology

Richard Cornuelle could not possibly have envisioned more recent developments in computer technology back in 1965, when he criticized the independent sector for being “backward and unreliable” in its failures to embrace technology (Chapter 7). In that chapter 7 he said, “because it has not adopted modern technology, as industry and government have, the independent sector seems backward and unreliable.”

International Nongovernmental Organizations

The most complex, remote (from most of our daily lives) and perhaps most important (from the standpoint of Cornuelle’s argument) has been the rise of a genuine independent sector internationally. At the time that Cornuelle wrote *RtAD* (1965), “international relations” were still the clear and exclusive monopoly of government agencies, such as the U.S. State Department, the President’s office and assorted Congressional committees, most notably Foreign Relations. Yet, in the ensuing decades, something that looks a great deal like Cornuelle’s strategy of independent sector competition with government appear to have developed in this area, and to some extent gotten the upper hand.

Olivier Zunz’ Chapter 9, “American Philanthropy and the World’s Communities” (2011, pp. 250-276) tells a major part of this story, beginning with the response of the French organization, *Medicines sans Frontiers* (Doctors without Borders) to the Ethiopian famine of 1984. Since that time, literally hundreds of INGOS, voluntary associations, foundations and private individuals, from George Soros, Steve and Melinda Gates, have gotten into the act.

Conclusion

Cornuelle's conception of an independent sector offered (and continues to offer) a clear alternative – a “third way” if you will – not only to the “association government” strategy first articulated by Herbert Hoover (Zunz, 2011) and more recently by Salamon (see the critique of Peter and David)

Secondly, in Chapter Ten, entitled “The Independent Sector's Discipline”, Cornuelle – like nearly everyone working and writing at that time – struggled with an effort to identify what he termed the “discipline” of the independent sector. He like others recognized the organizing and disciplining force of business and the marketplace as “the profit motive”, and the unique discipline of government as fundamentally coercive, as evidenced in the police powers, the draft (which was a powerful discipline in 1965), and powers of taxation. But, wherein was the motive force – the discipline, as it were – of the independent sector? Although Chapter Ten is still an interesting and thoughtful read, I think Dick would agree with me if he were with us today that he largely failed to isolate that unique factor he was looking for there.

There is no shame in identifying an important question but not the answer, and that is what Chapter Ten represents for me.

Polarity over individualism and opportunity

A separate question raised by Cornuelle's declaration of an independent sector, critical as it is of both 1960s “liberalism” and “conservatism” is whether his proposal is, in the end, merely partisan, technocratic or if it is more deeply rooted in our basic values and traditions. Cornuelle's search for a “third way” is one – perhaps the first, I do not know of any other – of many efforts in search of a third way. In the latter chapters of *RtAD*, Cornuelle makes good on outlining his vision of a libertarian third way in which the independent sector engages in direct, point-for-point competition with government.

“In seeking to solve our problems through individual opportunity,” the sociologist Robert Bellah wrote in an essay published in *The Essential Communitarian Reader* (Etzioni, 1999) “we have come up with two master strategies. We will provide opportunity through the market or through the state.” This is precisely the same (false) strategic duality that Garrett Hardin (1968) highlighted in introducing the concept of the commons and that various communitarians, “third way” advocates and proponents of the third sector have been attempting to highlight (Lohmann, 1992).

“On this issue,” Bellah continued, “we imagine a radical polarity between conservative and liberal, Republican and Democrat. What we often do not see is that this is a very tame polarity, because the opponents agree so deeply on most of the terms of the problem. . . . Whatever their opponents say, those

who support a strong government seldom believe in government as such. They simply see it as the most effective provider of opportunities that will allow individuals a fair chance of making something of themselves. Those who believe in the market believe free competition is the best context for individual self-realization.”

“Both positions are essentially technocratic,” Bellah concludes. “They do not imply much about substantive values other than freedom and opportunity. They would solve our problems through economic or political mechanisms, not moral solidarity” (Bellah, 1999: 17).

The challenge, of course, as Cornuelle clearly understood and sought to teach us, is still to identify clearly those “substantive values other than freedom and opportunity” and to harness them in institutional forms capable of promoting and acting upon that kind of moral solidarity on a basis wider than families and the intimate sphere in an independent sector beyond markets and governments.

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