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THE SOCIAL REQUISITES FOR ALTRUISM AND VOLUNTARISM: SOME NOTES ON WHAT MAKES A SECTOR INDEPENDENT*

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Whether it is Marx, Durkheim, Weber, or Parsons, and the contemporaries who have followed in their wake, the central pathologies of modern society have been conceived in much the same way. Social theory diagnoses contemporary society as suffering from egoism and domination. The antitheses are altruism, which will lead to community, and voluntarism, which involves freedom and self-control. There is a logical movement from criticism to diagnosis and from there to reform or revolution. How exactly this movement proceeds, however, depends on just how the social organization that produces modern pathology is conceived.

If it is capitalism—commerce, private property, and profit—that produces the problems, then socialization of the means of production is the remedy. This logic is simple but it is hardly obsolete. It produced not only the great, and deeply flawed, communist revolutions in Russia and China. It informed the French Socialist program in 1981, the eventual failure of which had such dispiriting repercussions on French social and intellectual life. It continues to cast its spell over the British Labor Party which, in its present guise, may not be allowed to come to power again.

For most contemporary theorists, capitalism still seems a plausible culprit (for a prototypical and influential illustration of this perspective, see Titmus 1971). There are, nonetheless, important intellectual and social alternatives. The inverse position holds that egoism and domination are created not by private property systems but by socialism itself. Such a relationship has been upheld by laissez-faire economists and philosophers, like Von Hayek and Nozick, and it has exercised a powerful ideological field in Western societies. For reasons that are related to the disciplinary interests of sociology, however, this conservative position has never been central to contemporary social theory itself.

There is yet a third position, which, while not fulsomely embracing capitalism, resists the notion that a corrective lies in socialization. This position acknowledges that the conservative presumption is at least a distinct possibility: communism may have created even more serious pathologies than its presumed antithesis. Thus, in the writings of Weber and Parsons, and even of Durkheim, one can find the core pathologies of modernity attributed not only to capitalism but also to bureaucracy. Because each of these theorists identifies communist societies as eminently bureaucratic, they criticize these organized alternatives to capitalism as oppressive. In this dimension of their theories, then, rather than alternatives to capitalism we find alternatives to socialism. Powerful anti-state procedures and organization must be built into modern societies, or else the central pathologies of modernity will only be exaggerated by efforts at reform.

This "third way" has been elaborated in a number of different ways. In T.H. Marshall's notion of "Socialism Two," it became prototypically identified with the Welfare State. In recent years, however, the Welfare State increasingly has itself been criticized as statist. In response to this criticism, and in response to a growing sense among Western intellectuals that "socialism" no longer represents a viable system, there has emerged a line of thinking that has found an answer to modern pathologies in the "independent sector." Fed up with capitalism and communism alike, social critics (like Cornuelle [1983]) and social theorists (see the writings collected in Powell 1987) have argued for the possibility of producing voluntarism and altruism by encouraging production that is neither profit-making nor subject to government control. Usually they have not only argued in principle; they have found this new and promising antidote to social pathology already widely institutionalized in the United States.

Because of growing conservatism and because of the failures of organized socialism, it seems likely that this argument for the third sector will become increasingly central in social and political debate. For this reason alone, its central assumptions should be given more careful examination than they have received thus far. But there is another reason as well. By examining this new logic of criticism, diagnosis, and reform, we can reflect, once again, upon the origins of modern egoism and domination, and on the nature of social organization that may alleviate them in turn.

Because the concept, "independent sector," has emerged within a predominantly American

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context, its importance and its very meaning has been taken for granted. I wonder, however, whether Japanese social scientists would have the same reaction to the term, or even German and French? Are we dealing here with a phenomenon that is (or may be, or should be) a structural feature of modern (or capitalist or democratic) societies or with something that is particularly American, which may not exist in other national systems and which even may not in itself be particularly desirable?

This ambiguity exists because the concept, independent sector, is itself ambiguous. It rests on unstated and in part contradictory theoretical assumptions about the way modern societies, and in particular capitalist democratic societies, actually work. In trying to clarify this conceptual confusion, we must, therefore, also engage a range of crucial empirical issues about the structure and processes of such modern societies.

How inclusive the organizational net cast by the term independent sector is subject to enormous disagreement from one observer to another (for four different attempts, compare, e.g., Smith et al. 1980, Cornuelle 1983, Hansmann 1980, and Salamon 1987). There seems to be consensus, however, about the essential characteristics of the phenomenon itself. Independent sector refers to organizations which are neither commercial nor governmental. Such a third, "outside" position in the social system is evidently held to be valuable because it is thought that only in this way can an activity be systematically organized that is both voluntaristic and altruistic. Thus, Smith, Baldwin, and White (1980:1–3) define NPO's—they use the term nonprofit organizations (NPO's) interchangeably with independent sector—as "the vehicles by means of which people pursue together goals that are not primarily remunerative and that they are not forced to pursue." Their elaboration makes the theoretical reasoning behind this definition clear.

> The essential element of an NPO is voluntary action. Voluntary action is what one is neither paid to do nor made to do . . . NPOs, therefore, are significantly different from for-profit organizations, in which people together pursue remunerative goals. They are different, too, from governments, which are based ultimately on coercion. And they are different from families, which are socialized manifestations of physiological compulsions. (Cf. Smith 1980)

While useful for illustrative purposes, however, this definition includes an understanding of non-commercial, or non-remunerative, that is far too restrictive. When Hansmann, Salamon, and Cornuelle define economic independence as simply non-profit—operationally understood as qualifying for government tax exempt status—they are taking a more typical view. We will soon see that this broadening is of critical importance.

There are, therefore, two sets of propositions implied by the concept of the independent sector. The first set begins with the notion that directly renumerative activity, activity that is part of an organization which sustains itself by making profit, is egotistical rather than altruistic. Its converse, also clearly implied, is that activity not governed by the need for organizational financial renumeration is altruistic, or at least is much more likely to be. The second set of linked propositions concerns the relationship between the state and voluntarism. State activity, it is believed, will be coercive activity, presumably both for organizers and clients or recipients. Conversely, if activity is not organized by the state it will be voluntaristic, related to the intentions and desires of participants and clients.

I will try to demonstrate that these assumptions do not hold. Before doing so, however, I want to clearly distinguish the nature of the beast whereof I speak. In evaluating the relevance of these assumptions, we must distinguish between large institutionalized groups and small ephemeral ones. Only in regard to the former is it interesting to evaluate the relevance of the notion, independent sector. Small and ephemeral groupings may, of course, be included in this term, but for the purposes of any comparative macrosociology they cannot be its main point. Social theorists would agree that there is something special and unique about flower clubs and neighborhood watch groups, local Boy Scout troups and city hiking clubs. These groupings are small; their very existence is based upon maintaining personal relationships between members. They are also ad-hoc, subject to frequent forming and unforming. They are, in other words, "altruistic" and "voluntaristic" by definition. By their very nature, such associations cannot be created by the state, and even the most totalitarian states cannot long succeed in doing so. These traits do not seem to depend, moreover, on whether the group is renumerative or not. Teenagers could associate to wash cars for the summer or to sell lemonade and the essential qualities of this kind of grouping would remain the same.

If there is, indeed, something special and unique about such small and ephemeral groups, then, it is certainly not what the proponents of the independent sector have in mind, for such groups do not provide a basis for distinguishing between modern societies or between different modes of addressing common institutional tasks. All modern societies have basically the same

kind of small and ephemeral groups. You cannot deliver what might loosely be called "intimate services" without adopting this organizational form. The notion of independent sector is intended to demarcate the comparative relevance of something much different. It refers to services that can be organized in different ways. There are a number, indeed an overwhelming range, of social problems and essential services that can be addressed only by establishing large institutionalized groups. These groupings can, indeed, be organized in different ways. Theorists of the independent sector make certain predictions about what the effects of different modes of this organization will be.

For these reasons, I will limit my evaluation of the presumed qualities of the independent sector to relatively large and relatively institutionalized groups. Within this realm, I will ask whether the concept of an independent sector does, indeed, describe what Durkheim would call a social fact.

I want to suggest that none of the propositions implied by the concept is entirely valid. In part they are expressions of typically American, anti-state ideology. In part they are expressions of a more universal populist and Romantic anti-commercial ideology. For the rest, they reflect what I believe to be restricted theoretical understandings of how organizations, markets, and governments work.

Let's examine first the posited relation between commercialism and altruism. We must begin by distinguishing between the external and internal environments of an organization. By external, I mean the nature of the outputs. Certainly, all commercial outputs are not self-serving and egotistical. Any use-value can become a commodity and, contrary to Marx, this eliminates its use-value only within the exchange process of the market itself. Many visiting nurses organizations are profit-making; they sell their home visiting service to cities, state, and individuals for specific and usually rising fees. The good in question, however, is thoroughly altruistic in the sense of service to others; it provides help for disabled persons who cannot handle social life on their own. The point of such service is to allow patients to return sooner from hospital convalescence or to keep them out of hospitals in the first place. In this sense, indeed, a private visiting nurses organization provides a more altruistic service than the publically sponsored hospitals that are paradigms of independent sector theory. Many other such examples come to mind. The businesses which have emerged, in the wake of the new immigration law, to facilitate the legalization of current illegals, make profit for their owners while producing citizenship for their customers. The point is that a service in itself does not become less altruistic because the price for that service is increased at the margin.

In order to examine more systematically the possible permutations of commercial and altruistic, we can construct a four-fold table (see Table 1). Independent sector theory would find organizations present only in two of these spaces, 2 and 3. I have just suggested that we can find organizations in 1 and 2. What about space 4? Are there noncommercial organizations whose outputs are not altruistic, that do not serve others? One's first response is negative. On the face of it, hospitals, churches, elementary schools, Boards of Education, insane asylums, PTA's, urban helping agencies, and prisons all seem to produce other-oriented goods. We might reconsider, however, if we take seriously the notion of displacement of goals. How exactly do we characterize a good as serving others? If the information going into a product and its ultimate design reflect more about the selfish interests or parochial preconceptions of the organizational staff than they do the ascertained needs of clients, the altruism of such noncommercial groups may be put into question. We will leave this fourth box with a question mark.

We turn now to the internal environment of organizations. What is the nature of employee motivation? Surely the degree of commercialism has little effect on egoism and altruism. The effective distinction here is more between full-time employment and ephemeral participation. In the first case the employees need wages, whether they work in public or commercial organizations. The need to continue to maintain this wage, not simply for oneself but for the primordial collectivity one represents, is an "egotistical" dimension of all such employment. Take away the wage and few employees would or could continue to service the organiza-

Table 1
Degree of Virtue in Output

	Altruism	Egoism
Commercial Production	1. X	X 2.
Noncommercial Production	X 3.	? 4.

tion, no matter what it produced. Beyond this simple motivational consideration, the issue becomes quite murky. Some members of organizations work for the group, others are narrow and career minded. This time, our four-fold box is certainly full (see table 2).

But in addition to considering egoism and altruism in terms of motivation and commodity produced, we must consider it in relation to the organization itself. Excepting once again small and ephemeral groups, it would appear that few institutionalized groupings operate without sharply restrictive conditions in their external environments, in relationship to which—as population ecology theory clearly demonstrates—they must exercise egoism to the highest degree. Surely, no one would suggest that churches, schools, hospitals, or philanthropic organizations need not consider their financial survival and, indeed, their financial expansion, in the course of serving their clients? Here, I think, we can check only boxes two and four (see table 3).

Let us now consider the second set of propositions implied by Independent Sector theory. These revolve around the implied relationship between state control and voluntarism. If an organization is not related to the state, is it voluntaristic? What does "it" refer to? Once again, distinguishing between internal and external environments is helpful.

In terms of the environment for members inside of an organization—which social and political theory certainly consider a primary arena for the exercise of voluntarism—the issue of state relationship is irrelevant. Pointing to the irresistable movement toward bureaucratization is not enough. More to the point is the tendency toward oligarchy which, if not an iron law is virtually iron-clad. Depending on the kind of factors Lipset, Trow, and Coleman (1956) explicated so well—size, unevenness of participation, and pressure from outside groups—every large-scale, ongoing group tends toward domination by cliques. This is as true of the city-wide PTA and the A.F.L./C.I.O.—both prototypically independent organizations—as it is General Motors.

Table 2
Employee Motivation

	Altruistic	Egoistic
Commercial	1. X	X 2.
Noncommercial	3. X	X 4.

Table 3
Orientation of Organization

	Altruistic	Egoistic
Commercial	1.	2. X
Noncommercial	3.	X 4.

What determines the departure from intra-organizational domination is not the nature of outside control and certainly not the nature of the service or commodity produced, but the goals, values, and structures of the organization. Probably the most general example of this internal basis of variation is the contrast in religious activity between churches and sects. In the former, control is distant and bureaucratic, and salvation is distributed by the discretion of authorities. In the latter, control is personal and intimate, and salvation is distributed through an individual's achievement. Self-regulation is the goal of sect-like groups.

Within every type of specific organizational activity, one can point to similar variations, which usually have little to do with relationship to the state. In Japan, for example, primary and secondary schools are far more directly connected with the national government than in the U.S., but teachers are much more in control of what they teach, and how, than they are here (Cummings 1980). In Israel, Kibbutzim democratically and collectively organize for-profit agriculture that is extremely productive; corporate agrobusiness does the same thing through hierarchy and control in the U.S. The Toyota Quality Control Circles (Cole 1979) in capitalist Japan are extremely voluntaristic and participatory; General Motors', in equally capitalist America, tend to be manipulative and hierarchical.

But it is probably voluntarism in relation to an organization's external environment that is of most concern to Independent Sector theory. The notion here is that an organization beyond state control (and beyond commercial control as well)

can set its own goals in a manner responsive to its constituents, whereas an organization that is tied to or controlled by the state cannot. These propositions are questionable; they depend on a "concretist" view of the state.

In analytical terms, the state's goal is to mobilize and exercise power for the attainment of goals, either its own or some constituent's. Bureaucrats run the state and exercise power; by definition, therefore, they have the power to coerce every organization under the state's legal control. If this control were consistently exercised, the Welfare State in democratic and capitalist countries would be no different from Stalinist Russia; the relation between the French central bureaucracy and local constituencies would be the same as the American; government sponsored social science research units in Brazil would be factories for ideology; and the independent day-care system in the U.S. would be more responsive, more alert, and more democratic than the government controlled apparatus in Sweden.

State bureaucrats, however, do not necessarily exercise the control which they formally have over their client organizations. While in the U.S. much (almost half) of what have traditionally been thought to be "independent sector" activities—in mental health, social services, housing, legal advocacy, and scientific research—have been funded through the national government (Salamon 1987), in most cases governmental intrusion is relatively insignificant. This reflects in part the federal structure of the state, in contrast to highly centralized states like the French.

But there are deeper reasons for this anomaly. Centralized state bureaucrats control police power but they do not monopolize the knowledge upon which successful goal-attainment is often, perhaps even usually, based. Nor do they understand the problems on the ground which present challenges to even the best laid plans. The Swedish day-care system, owned and nominally run by the state, has for all practical purposes been turned over to autonomous professionals who are themselves in a service relationship to local communities. American day care, by contrast, tends to be locally based and independent in some nominal sense. In practice, day care services tend to be controlled by authoritarian directors who have little professional knowledge and who are not answerable to constituents or communities. In virtually every communist country today, massive efforts are underway to decentralize the practice of decision-making. This is not because these states intend to give up party dictatorship. It is because, by increasing organizational voluntarism, party and state goals can be much more effectively achieved.

If degree of independence from the state does not determine the degree to which large institutionalized groups can regulate themselves, what might allow such groups to achieve some degree of self-regulation? In briefly discussing three such factors, I will conclude this analysis of the social sources of independence.

Factor 1: The particular relationship between central state, legal system, and those subject to both, i.e., the citizens

Laws are the bureaucratic rules by which states intend to establish their goals. If these rules are produced and elaborated in response to grass roots activism and interpretation—if the law is "responsive" in Selznick and Nonet's (1978) sense—then it is likely that collectively organized citizens will be able to act rationally and forcefully against the state. This responsiveness depends on at least three conditions: (1) The nature of the legal codes. Do they constitute simply positive law or do they embody fundamental rights of individuals? (2) Are there differentiated centers of power to guarantee anti-state voluntarism in disputes over these laws? (3) Is there a federal or a centralized form of national government?

Where governments do dominate organizations, some or all of these necessary factors are missing. In pre-world war one authoritarian Germany, organizations were often harassed by the state; in Nazi Germany, of course, they were directly controlled. One reason (condition #1) is that there existed in German history virtually no conception of natural law; individual rights cannot be enforced by a system of purely positive law. In contemporary Russia and China, by contrast, a scarcely concealed metaphysics of natural law and inherent rights is omnipresent. Because of party control, however (condition #2), there is little in the way of independent power centers to allow the enforcement of these theoretical rights. We can find an important reason for the docility of French organizational life in that nation's inability to construct a truly federalist system (condition #3).

To consider an example of how the presence of these factors facilitates voluntarism, we might examine the body of administrative law regulating the American welfare state. In sector after sector, it can be shown (e.g., Bloch 1985) that administrative law has developed through a complex interplay of relatively independent units. Social security law, for example, has evolved through the intervention of independent legal advocates representing the constitutionally-rooted rights of individuals and responding to the power of local constituencies, through the interpretation of judges who are institutionally independent of the government's bureaucratic hierarchy, and through the interventions of the

popularly elected national Congress, which is highly resistent to national bureaucratic control.

Factor 2: The kind of knowledge involved in organizational decision-making

The notion that legal control by the state will lead to effective state control overlooks the effect of differential knowledge. Increasingly, in both capitalist and communist societies, decisions demand the exercise of expert knowledge available only to highly trained staff. Rational knowledge demands a certain autonomy of intellectual exercise in terms of its very premises, as Gouldner (1979) among many others suggested with his notion of the CCC (culture of critical discourse). This critical knowledge must be institutionalized, moreover, and here we turn to Parsons (Sciulli 1986), within the anti-hierarchical organizational form of collegial professions. Neofunctionalists and neoMarxists agree that such groups of intellectual workers will strive for, and to some degree inherently exercise, autonomy vis-a-vis the demands not only of the bureaucrat but also the capitalist.

Good examples of relative autonomy by virtue of expert knowledge can be seen, therefore, in both nominally state and nominally private organizations. The Federal Aviation Commission and the Food and Drug Administration certainly are effected by administration policy, but the actual specifics and even the general policies that inform their all-powerful codes are the work of scientists, intellectuals, and professionals not controlled by the national government. In the last decade, numerous ecology-related private companies have emerged in the United States. They sell to private and public clients critical knowledge and often precise technical plans about where and how to build residences, businesses, and public facilities. The professionals who formulate these plans usually do so with a high degree of independence, coerced neither by their immediate profit-seeking superiors nor by their governmental clients.

Finally, as the long hypothesized conflict between "red and expert" suggests, this autonomy is sought and to some degree exercised even in party dictatorships, as Szelenyi and Konrad (1979) have so powerfully emphasized in their work on Communist intellectuals and state power.

Factor #3: The nature of general cultural codes that regulate organizational authority

Despite the legal and professional pressures toward responsiveness that may exist, it seems apparent that organizations differ in their willingness to respond affirmatively according to their national culture. Weber understood this difference as one of "church culture" versus "sect culture" (Alexander and Loader 1985). He insisted that in societies where the ultimate implications of the Reformation were most forcefully carried out—particularly the U.S. and to a lesser degree England—there existed an antagonism to deference and a demand for self-organization and individualistic, decentralized control. He contrasted such "sect-democracies" with societies like Germany where religion had been uniformly organized by oligarchical churches. National cultures in the latter case produce citizens who were unprepared to assert individual responsibility and more inclined to defer to authority and state. Certainly there has been a great deal of cultural change since religious organizations dominated modern societies. In France, in Germany, even in Japan there have been ideational developments and powerful cultural institutions that have been built on sect-like themes. What were originally religious differences, however, still seem to exert powerful effects. Solaman's (1987) studies suggest, for example, that in America federal bureaucrats simply do not believe that centrally organized services are a good in themselves. Whenever possible, they contract essential services out to self-regulating groups. They encourage the independence of these groups to the point, indeed, where complaints about reporting and accountability continually arise.

This paper has telescoped a number of important arguments into a very brief scope. If there is an advantage to this procedure, it is that the implication of these arguments can clearly be seen. In constructing and criticizing what I have called "independent sector theory," I have posed a series of questions about the origins of social pathology in modern society and how it can be alleviated. In its denigration of the market, I have suggested, independent sector theory reveals romantic and distorted ideas about the egotistical nature of capitalist markets. In its allergy to the state, it has replicated misunderstandings about political control that have consistently undermined conservative thought. Neither profit-making nor state control inherently breeds egoism or domination. Altruism and voluntarism can be produced in a number of different ways; the American-style of independent sector organization is only one among them. Markets and state control are here to stay. It is not a question of whether, but how.

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