Global Civil Society
Dimensions of the Nonprofit Sector

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The Johns Hopkins
Comparative Nonprofit Sector Project
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Unlike Finland, but like much of the rest of Western Europe, France has a quite sizable nonprofit sector that is heavily supported by the French state. In the case of France, however, this development is relatively new, in part the product of social policies introduced by the Mitterand government in the early 1980s. By contrast, for much of the period between the French Revolution and 1864, associations and other nonprofit organizations were illegal in France and were viewed as undemocratic institutions that splintered the “general will” represented by the democratic state.

As in many Western European countries, the nonprofit sector in France traces back to the Middle Ages when the Roman Catholic Church and its congregations created charitable organizations and when guilds and brotherhoods established a system of mutual help on a professional basis. These two pillars of the nonprofit sector of the Ancient Regime were attacked by the French Revolution: Catholic charities and foundations were secularized and corporative organizations were suppressed, as the Jacobin government declared its social responsibility and stressed its monopoly over the common weal. In accordance with the Rousseauist principle, the
state resisted the presence of any intermediary agent seeking to serve as a bridge between the state and its citizens. This statist tradition contrasted with the Anglo-Saxon predominance of individual responsibility and with the subsidiarity principle, so important in the German tradition.

As it would be in direct confrontation to the governmental mandate that the state and its citizens maintain a direct relationship, any kind of intermediary interest group was deemed illegal if not authorized by the state. Such charitable and corporative organizations remained illegal throughout most of the 19th century until an 1864 Act afforded the freedom of association and a 1901 Act legalized associations, the generic term for most nonprofit organizations. The French nonprofit sector has thus, in a historical sense, really only recently begun to develop. During the 1960s and the 1970s, the French nonprofit sector grew mainly within a context of state-provided welfare. More recently the Decentralization Acts, passed in 1982 and 1983, provoked a reappraisal of the role that central and local governments traditionally played in relation to public and private human service organizations. This push toward decentralization induced a break with the two hundred-year Jacobin tradition, thus encouraging closer contact between the third sector and local authorities. Because funding and other limitations of the state have reduced its capabilities to cope on its own with the social welfare, culture, education, and environmental challenges of our time, citizens have sought to take a more direct part in social problem-solving and public affairs. Due to this shift away from state-directed action, nonprofit organizations have grown in importance. In present-day France, between 60,000 and 70,000 associations are created every year, more than three times the average number of organizations created each year in the 1960s.

This chapter presents the main results of the French component of the Johns Hopkins Comparative Nonprofit Sector Project and shows the overall size of the third sector in France in 1995, its composition, its revenue sources, and its recent evolution. The chapter also compares these results to those elsewhere in Europe and internationally. These findings are the product of work carried out by a research team at the University of Paris 1-Sorbonne. As part of their information-gathering approach, the French team was able to extrapolate information from the “SIRENE file,” a fairly comprehensive register of corporations, associations, and organizations. Information on giving and volunteering came from a 1997 representative population survey, which they commissioned; and the revenue side of the equation was synthesized from numerous governmental and nonprofit sources. Unless otherwise noted, all data here relate to 1995 and monetary values are expressed in U.S. dollars. (For a more complete statement of the sources of data, see Appendix C.)
THE CONTRIBUTION OF THE FRENCH THIRD SECTOR TO THE ECONOMY

The economic activity of the French third sector, which is frequently a by-product of its social role, is significant and sizable:

- In 1995, 975,000 full-time equivalent employees were employed within the French nonprofit sector including religious congregations. Even excluding religious congregations, the sector employed 960,000 full-time equivalent paid workers, nearly 5 percent of total employment. This figure is equivalent to the number of independent and paid agricultural workers or the total number of employees in all consumption goods manufacturing industries employed in 1995. It also outdistances the employment in the largest private business in France, Vivendi, by a ratio of more than 4:1. (Vivendi employs 217,000 workers.)
- As much as the nonprofit sector contributes to paid employment, volunteering seems to be an equally crucial labor force for the sector as a whole. An estimated 23 percent of the French population reports contributing their time to nonprofit organizations, on average, 23 hours per month. When all the hours of the nonprofit sector's 12.5 million volunteers are aggregated, the total volunteer hours worked amounts to the equivalent of 1 million full-time volunteers, slightly more than its 975,000 paid workers (see Table 4.1). Once the FTE volunteer work is included in the overall workforce calculations, the total labor force of the nonprofit sector represents 9.6 percent of total employment.
- When compared to the size of the nation's economy, nonprofit sector operating expenditures in France constitute 3.7 percent of the gross operating expenditures in France.

Table 4.1 The overall economic contribution of the French third sector in 1995

<table>
<thead>
<tr>
<th>Economic indicator</th>
<th>With religion</th>
<th>Without religion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Volunteer headcount (thousand)</td>
<td>12,567</td>
<td>11,069</td>
</tr>
<tr>
<td>FTE Volunteers (thousand)</td>
<td>1,115</td>
<td>1,021</td>
</tr>
<tr>
<td>FTE paid employment (thousand)</td>
<td>975</td>
<td>960</td>
</tr>
<tr>
<td>Percent of economy-wide paid employment</td>
<td>5%</td>
<td>4.9%</td>
</tr>
<tr>
<td>Total FTE paid and unpaid employment</td>
<td>2,090</td>
<td>1,981</td>
</tr>
<tr>
<td>Percent of economy-wide employment</td>
<td>10.1%</td>
<td>9.6%</td>
</tr>
<tr>
<td>including volunteering (all formal sectors)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating expenditures (OE)</td>
<td>$58 billion</td>
<td>$57 billion</td>
</tr>
<tr>
<td>OE as percent of GDP</td>
<td>3.8%</td>
<td>3.7%</td>
</tr>
<tr>
<td>OE including volunteers</td>
<td>$104 billion</td>
<td>$99 billion</td>
</tr>
<tr>
<td>As percent of volunteer-adjusted GDP</td>
<td>6.6%</td>
<td>6.3%</td>
</tr>
</tbody>
</table>
domestic product (GDP), expenditures comparable to the turnover of public utilities or the mechanical engineering industry. This measure does not take into account the imputed value of volunteer input. If that value is factored in, the operating expenditures of the nonprofit sector in France constitute 6.3 percent of the GDP.

Thus, the French nonprofit sector is a considerable economic force and, as relative shares show, is a growing economic force. The inclusion or exclusion of religious worship does not change these figures much, as religious worship attendance in France is among the lowest in Europe. As a consequence, volunteers and donations to religious establishments are low.

A third sector dominated by social services

The structure of the French nonprofit sector in 1995 is shown in Table 4.2. The first column records the number of organizations that can be classified under each field. More precisely, it shows the percentage of organizations included in the SIRENE file, specifically those that employ at least one salaried employee or those that pay taxes. About 250,000 organizations are included in the SIRENE file out of a total number of nonprofit organizations that is yet undetermined, but estimated at approximately 800,000. Other columns show the percentage of operating expenditures, FTE employment, and volunteering.

What are the main features of the French nonprofit sector? Five key aspects are outlined below:

• It is highly concentrated in the first four groups—culture and recreation, and the three traditional social welfare fields (education, health, and social services)—in which 88 percent of full-time equivalent workers are employed and 75 percent of all volunteers work. These four fields comprise 80 percent of the organizations recorded in the SIRENE file; it is within these groups that 88 percent of operating expenditures are accrued.

• It is dominated by social services. The social services field alone employs nearly 40 percent of all nonprofit sector workers; the field's domination was reinforced recently with the deepening of the economic recession in 1993. Nonprofit organizations run 55 percent of the overall number of residential care facilities, and maintain a quasi-monopoly over services for people with disabilities.

• It includes a rather high percentage of education-related nonprofit sector organizations, expending approximately one-fourth of the total resources of the nonprofit sector. Catholic primary and secondary schools are over-represented in the western part of France, where the
<table>
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<tr>
<th>Subsector/Group</th>
<th>Number of organizations (SIRENE file % of total)</th>
<th>Operating expenditures % of total</th>
<th>FTE employment % of total</th>
<th>Volunteering % of total</th>
</tr>
</thead>
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<tr>
<td>Culture and recreation</td>
<td>41.6%</td>
<td>15.5%</td>
<td>12.1%</td>
<td>46.7%</td>
</tr>
<tr>
<td>Education and research</td>
<td>15.7%</td>
<td>24.8%</td>
<td>20.7%</td>
<td>8.9%</td>
</tr>
<tr>
<td>Health</td>
<td>2.4%</td>
<td>14.5%</td>
<td>15.5%</td>
<td>3.4%</td>
</tr>
<tr>
<td>Social services</td>
<td>20.7%</td>
<td>32.8%</td>
<td>39.7%</td>
<td>15.7%</td>
</tr>
<tr>
<td><strong>Subtotal (the first 4 fields)</strong></td>
<td><strong>80.4%</strong></td>
<td><strong>87.6%</strong></td>
<td><strong>88.0%</strong></td>
<td><strong>74.7%</strong></td>
</tr>
<tr>
<td>Environment</td>
<td>3.2%</td>
<td>1.0%</td>
<td>1.0%</td>
<td>8.7%</td>
</tr>
<tr>
<td>Development and housing</td>
<td>3.8%</td>
<td>4.4%</td>
<td>5.5%</td>
<td>4.0%</td>
</tr>
<tr>
<td>Civic and advocacy associations</td>
<td>6.1%</td>
<td>2.6%</td>
<td>1.9%</td>
<td>1.8%</td>
</tr>
<tr>
<td>Philanthropic intermediaries</td>
<td>0.0%</td>
<td>0.3%</td>
<td>0.0%</td>
<td>1.1%</td>
</tr>
<tr>
<td>International activities</td>
<td>0.4%</td>
<td>1.3%</td>
<td>1.8%</td>
<td>3.0%</td>
</tr>
<tr>
<td>Professional associations, unions</td>
<td>6.1%</td>
<td>2.9%</td>
<td>1.8%</td>
<td>6.6%</td>
</tr>
<tr>
<td><strong>Subtotal (the last six fields)</strong></td>
<td><strong>19.6%</strong></td>
<td><strong>12.4%</strong></td>
<td><strong>12.0%</strong></td>
<td><strong>25.3%</strong></td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>100%</strong></td>
<td><strong>100%</strong></td>
<td><strong>100%</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>
Belgian or Dutch pattern prevails (see Chapters 2 and 7). In the rest of France, private schools (95 percent Catholic) frequently offer a second educational opportunity for children rejected by public schools. Culture, sports, and recreation is also a very developed field of nonprofit activity in France. It has grown more rapidly since decentralization, and many small organizations, run mainly by volunteers, are mushrooming throughout France. Furthermore, both before and after World War II, France emphasized and developed social tourism, focusing specifically on vacation and recreation facilities intended for the working class. This now represents 12 percent of French tourism activity. Conversely, France has a rather low percentage of its nonprofit sector in health because hospitals have predominantly been secularized, especially since the French Revolution.

- There is a contrast between the fields that are highly professionalized and those that are heavily reliant on volunteers. In professionalized fields such as education, health, and social services, volunteer work is marginal, and there exists a clear division of labor between the paid staff and volunteers. By contrast, in fields such as culture, sports, and recreation, which absorb nearly half the volunteers in the French nonprofit sector, and environmental, international, and professional associations, volunteer work is the primary human resource.

- Philanthropic intermediaries and foundations are less numerous in France than in other industrialized countries, because they have been repressed for centuries. Before 1987, there was virtually no law governing foundations. Presently, less than 500 independent foundations exist in France.

**Most revenue from the public sector**

Figure 4.1 illustrates the overall importance of the three major sources of income for the French nonprofit sector: public sector funding, private earned income, and private giving. Public sector payments, comprising 58 percent of the total income, are the dominant revenue source, allocated primarily from social security, secondarily from central government, and lastly from local government. Central government subsidies and payments are highly concentrated in education and research, while local government money is more widely dispersed: culture and recreation, light social services, development and housing, professional and civic organizations rely on local government subsidies or contracts. These local government funds also have become a growing resource for education since decentralization in 1983. Private earned income represents a little more than one-third of total resources: commercial resources, i.e. fees, charges, and sales are the main component; membership dues make up a smaller con-
stituent; and finally, at a very low level, investment income contributes minimal resources. Private giving is nominal, comprising only 7 percent of the total revenue; half comes from individual contributions, and the other half from corporate giving or sponsorship.

Of course, if the imputed value of volunteer time is included, the revenue structure of the French nonprofit sector is dramatically different, as shown on Figure 4.2. With volunteers figured in, private giving, now at 47

![Figure 4.1](image1)

**Figure 4.1** Sources of nonprofit sector revenue in France, 1995

![Figure 4.2](image2)

**Figure 4.2** Sources of nonprofit sector revenue, including the imputed value of volunteer time, France, 1995
percent, becomes the single major resource for the sector’s organizations. Public sector support and earned income pale by comparison.

The distribution of resources available to the French third sector varies greatly among the variety of fields as shown in Figure 4.3. Health, education, and social services are the only fields with a clear preponderance of

**Figure 4.3** Revenue sources of the French nonprofit sector, by field, 1995
public sector funding, in large part because they are closer to the welfare state. In fact, health-care nonprofit organizations rely on the public sector for 80 percent of their revenues, and education and research organizations collect over 70 percent of their income from public sector sources. Although government resources are important for most other fields as well, these other fields have a greater variety of financial sources. For instance, philanthropic intermediaries are mainly financed by private giving, while commercial resources prevail for culture and recreation, development and housing, and environmental and professional organizations. For civic associations, government funds and commercial resources are balanced, as is the case for international activities, where public sector funding, allocated mainly by the European Union, and private giving are balanced.

EVOLUTION OF THE FRENCH THIRD SECTOR (1990–95)

Between 1990 and 1995, nonprofit employment in France experienced rapid growth of 20 percent, from 803,000 to 960,000 FTE wage-earners as shown in Table 4.3. This finding is noteworthy because, within the same period, total employment in the country declined by one percent. This general decline was experienced not only in agriculture and manufacturing, but also in commercial and financial service activities. Over this five-year period, only personal services showed any employment growth. Notably, of 157,000 jobs created by the nonprofit sector during this period,
half were in the social services field and one-sixth in the culture and recreation field. Still, however, there proved to be little change in the composition of the nonprofit sector over the five-year span; the preponderance of social services was reinforced slightly, while the relative share of education and health declined.

Between 1990 and 1995, volunteer work grew faster than paid employment, with a 7 percent average annual growth. Its highest growth occurred within the social services field. With the deepening of economic depression, volunteer work appears to serve as a vehicle of change. While public policies often prove inefficient, volunteerism seems to offer an efficient way to obtain results rapidly at the local level.

Concerning financial sources for the nonprofit sector during this period, it is evident that this sector is still dominated by public sector funding, although there was a slight shift toward the privatization of resources (see Figure 4.4). In 1995, figures show a slight decrease in government funding, and a slight increase in earned income.

THE FRENCH THIRD SECTOR IN A COMPARATIVE CONTEXT

In comparative perspective, the French third sector is a “middle weight.” Figure 4.5 shows the nonprofit share of total employment by country, which is a relevant indicator of the relative nonprofit sector dimension in various countries. The French third sector is at the average level of nonprofit employment among the 22 countries that completed the statistical part of the project. The relative weight of the Dutch, Irish, and Belgian
nonprofit sectors, the largest of all 22 countries, is twice as large as the share of French nonprofit employment. If volunteering is taken into account, France is just above average, but the general pattern of these other countries remains quite similar.

As noted previously, between 1990 and 1995, employment in the French nonprofit sector grew by approximately 157,000 full-time equivalent
employees, a 20 percent increase. This growth rate is comparable to that experienced by other Western European countries for which data are available, namely Germany, the United Kingdom, and the Netherlands, which averaged a 24 percent increase over the same subperiod.

In most of the 22 countries studied, the three fields linked to the welfare state—education, health, and social services—represent two-thirds of nonprofit paid employment. However, the relative weight of each field varies among countries. Indeed, as noted in Chapter 1, in eight countries—Belgium, Ireland, the U.K., Israel, Argentina, Brazil, Mexico, and Peru—nonprofit sector employment is dominated by education. This situation is usually linked to the involvement of the Catholic Church in primary and secondary schools. In the U.S., Japan, and the Netherlands, health-related programs represent about one-half of the nonprofit sector. In France, as in

Figure 4.6  Sources of nonprofit revenue, by country, 1995
Germany, Austria, or Spain, social services are dominant, notably because they are provided in partnership with the state and the social security system. In the Central and Eastern European countries, the most important share of paid employment is concentrated in the field of culture and recreation, a field that was emphasized and encouraged during the central planning period.

Concerning the revenue structure, among the 22 countries for which data are available, the third sector is mainly financed by private fees and payments, secondarily by public sector payments, and lastly, on a weaker scale, by private giving. However, Figure 4.6 shows that there is a significant contrast between most of the Western European countries, in which funding is government-dominant, and the other industrialized or developing countries, in which the third sector is fee-dominant. The resource structure of the French nonprofit sector is typical of Western Europe. Indeed, all the Western European countries included in the Johns Hopkins Comparative Nonprofit Sector Project, with the exception of Spain, are government-dominant. However, the relative share of public sector funding in France is less than that in Ireland, Belgium, Germany, or the Netherlands, but higher than that in the U.K. and Austria.

**CONCLUSIONS AND IMPLICATIONS**

**A renewal strategy?**

As explained in the introductory pages of this chapter, France's nonprofit sector is relatively young, only recently having blossomed after decentralization efforts in the 1980s. The challenges and goals with which the French nonprofit sector is presented are therefore very different from those facing many other countries. Unlike most other European countries, France does not bear the same burden to renew the strength of the third sector. As French nonprofit organizations are small and numerous compared to those in other European countries, demographic renewal is not a hardship, but rather is one of the sector's chief attributes. As more than 60,000 associations are created every year, nonprofit organizations serve as vehicles for social change and innovation (Bloch-Lainé, 1995) and become forums intended to represent and serve the values of the new generation. For instance, since the beginning of the 1990s, a new social movement has been mushrooming. New nonprofit organizations are striving to serve as advocates for the unemployed, the homeless, refugees, those without identity papers, and those without rights. This social movement may become an extreme left party in the future, as were the "greens" for the preceding generation.
This does not mean that all is well in the French nonprofit sector. Older nonprofit organizations have a tendency to evolve into bureaucracies and have difficulty renewing their volunteer constituent, as new volunteers are often drawn toward new nonprofit organizations. These older nonprofit agencies must improve training and find management models that reflect the central values that this set of institutions is supposed to promote. In 1999, Prime Minister Jospin announced that the Fonds National de la Vie Associative, public financial support made available to promote the training of volunteers, will be doubled. The content of this training, however, still relies on the nonprofit sector itself.

**Accountability and effectiveness**

A higher standard of accountability and effectiveness should be expected, especially in regard to social service organizations, which are not subject to the same regulations as health-related establishments. Evaluation methods must take into account the quality of the delivered services; furthermore, nonprofit organizations must become partners in the definition of quality criteria.

In 1996, a scandal regarding the Association for Research on Cancer (ARC) revealed that less than one-third of the large private donations given to this nonprofit organization were devoted to the cause of cancer research. Two-thirds of the donations were abused in a variety of embezzlement conspiracies, used for for-profit businesses, or wasted on personal expenses by the ARC president, who is now appearing before the criminal court. Since this scandal, nonprofit organizations that receive either public sector support or private donations are subject to the control of the Cour des Comptes, at the national or the regional level. As Weisbrod (1988) says, “The high quality, public serving nonprofits can find their reputation, and thus their ability to find support, injured by the actions of the self-serving for-profits in disguise.” Maintaining the credibility of the nonprofit sector, therefore, requires accountability.

In addition to building and preserving its credibility, the nonprofit sector must also strive to maintain fair competition with the business sector. Exercising tighter control on tax exemptions available to nonprofit organizations involved in commercial activities is on the agenda. According to the legal status of the 1901 Act, nearly all associations are now presumed to be nonprofit. As of January 2000, every association with a turnover of more than FF 250,000 ($50,000) will have to prove to the fiscal authorities that it is a nonprofit entity. Of course, this fiscal reform is presently an issue of heated debate.
Expanding philanthropy

The expression of private philanthropy continues to be vital to ensuring a meaningful level of independence from both government and market. Individual giving grew between 1990 and 1993, but despite more favorable tax breaks, it declined within the 1993–1996 sub-period because of the impact of the ARC scandal (Archambault and Boumendil, 1997). Corporate philanthropy is still low, though slowly rising, and corporate foundations remain very few. To increase the number of grant-making and corporate foundations, as in other countries, policy-makers must show less suspicion toward foundations and simplify the process necessary to create foundations.

Moreover, changes in demographics and the labor force suggest that in France large reservoirs of potential volunteers remain “untapped” for the expansion of the philanthropic share of nonprofit operations. Among this “untapped” corps of potential volunteers are healthy early retirees who are frequently highly skilled and who can often pull from a wealth of professional experiences. There is also an unacknowledged reservoir of volunteers among students. High schools and universities do not treat volunteer activities in the curriculum the same as they do athletics or cultural activities. Despite this fact, youth associations are mushrooming. Similarly, the increase in part-time jobs and the reduction of full-time work from 39 to 35 hours per week could also support a positive trend toward volunteering. Finally, restrictions that formerly prevented unemployed people’s participation in volunteer work were suppressed recently; many nonprofit organizations now invite their unemployed beneficiaries to volunteer. In this case, volunteering becomes a positive transition between unemployment and either helped or standard jobs (Schmid and Auer, 1997).

European integration and globalization

The European Union has been hesitant in its approach toward the nonprofit sector and civil society. This set of institutions was neglected by the Treaty of Rome, signed in a period of high economic growth, low unemployment, and the East-West Cold War. As soon as nonprofit organizations are able to compete with foreign for-profits or nonprofits, government support is seen as a distortion of fair competition and is prohibited unless it is justified by a contract precisely detailing and defending the public purpose of the nonprofit organizations. That is why with Europeanization there is a danger of nonprofit organizations becoming increasingly like the business firms with which they compete. This risk is particularly important for organizations on the border between two countries because of the importance
of proximity between the producer and the consumer of the human services provided by these nonprofit organizations. Moreover, public purpose nonprofit organizations, which receive more than 50 percent of their financial resources from government, are considered public law organizations at the European level; this presents a risk of assimilation with public agencies (Alix, 1993, Coursin, 1993). Thus, on the one hand, the nonprofit sector is in danger of becoming consumed by the business sector. On the other hand, it stands at risk of being contained within the public domain.

The European Treaties should be amended to take account of the nonprofit sector and, more generally, of the whole économie sociale. The 1996 Maastricht Treaty (Article 26) and the 1998 Amsterdam Treaty (Article 38) deal with private social establishments and services and suggest a cooperation between this set of institutions and European headquarters. But at present time, these articles remain empty shells.

More generally, the worldwide trend toward globalization hardly excludes the nonprofit sector. Policy-makers and nonprofit leaders thus face the challenge of building adequate legal environments for cross-national nonprofit action while protecting legitimate national interests at the same time.

The existence of a vibrant nonprofit sector is increasingly being viewed not as a luxury or a hobby for the middle class, but more and more as a necessity in Europe, a check and balance to the invasion of a world-wide market in every part of human life, and every kind of relationship. Nonprofit organizations can give expression to citizen concerns, hold government accountable, promote social ties, address unmet needs, and generally improve the quality of life.

REFERENCES


ENDNOTES

1. The work in France was coordinated by Édith Archambault, professor at the University of Paris1-Sorbonne. She was assisted by Judith Boumendil and Marie Gariazzo. The team was aided, in turn, by a local advisory committee (see Appendix D for a list of committee members). The Johns Hopkins Project was directed by Lester M. Salamon and Helmut K. Anheier.

2. Between 1990 and 1995, male employment in the nonprofit sector declined, while female employment increased. In 1995, nonprofit employment was 70 percent female.