

Torn Between Two Sectors: Government or Business?

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Abstract

This article describes the variety in the Dutch nonprofit/volunteer sector and shows five phases in the development of the Dutch nonprofit sector. The first four phases lead to the development of a huge nonprofit sector which is paid staff dominated. Volunteers play an important role in rendering services in many fields but not in fundraising. Recently, the governmental subsidy system has changed fundamentally leading to pressures on nonprofit and volunteer organisations to raise more voluntary input, both in time as well as in money. Staying in line with the historic development, the Dutch government has undertaken several initiatives to support and improve volunteering which have had little success. Initiatives from the corporate sector are on the rise. The expectation is that volunteer administrators can play an important role in helping their organisations attract more voluntary support, both in time and money.

Keywords:

Netherlands, sector relations, government, business

Introduction

The Dutch nonprofit sector is of considerable size and importance (Burger & Dekker, 1998) including is for European context high level of volunteering. The corporatist nonprofit regime (Salamon, Wojciech Sokolowski & Anheier, 2000) leads to a dominant financial relation with government and a low level of relations with businesses. This paper will present a story of developing these relations based upon Hupe and Meijs (2000) and more recent developments, including the business community.

As in many other countries, the Dutch nonprofit sector is not monolithic. One part is dominated by service delivering professional organisations in sectors like education, public broadcasting, public housing, welfare, and healthcare. The *small* nonprofit sector is much more volunteer oriented and consists of many

local (volunteer) chapters that are part of nationwide organisations (e.g., in sports, recreation, hobby, additional care services like friendly visiting, and more small initiatives.) These organisations cannot really be described as grassroots (Smith, 2000) because of their size and national vertical integration (Meijs, 1997). Many organisations can be typified as mutual supports. Nevertheless, in the *small* nonprofit sector, paid staff, until recently, was to a high degree, paid for by governmental subsidies.

A Short Historic Overview

Extending a previous study (Hupe & Meijs, 2000), a crude five- phase development can be described:

Phase 1 – Pre-pillarisation: an emancipation process

Phase 2 - Pillarisation: serving the public by serving your own group

Phase 3 - De-pillarisation: going public

Phase 4 - Going private: introducing market

Phase 5- Going private: reintroducing civil society

In the 1900s, Roman Catholics, some Protestant groups, and the working class were in a constant battle for recognition by the state which ended in 1917 when general voting rights were traded against (close to 100%) governmental financial support for religious schools. Pillarisation, phase 2, refers to a society "divided into clearly identifiable and measurable segments which have their own separate social and political organisations" (Lijphart, 1984, p. 11). At the top (parliament), the elites of the different pillars met and made certain that each pillar got its fair share of subsidies for their own organisations, including, for example, church-based youth organisations. This created a huge nonprofit sector with a declining *ownership* position for volunteers in service delivery organisations and a limited need to volunteer for fundraising. Volunteer administrators and other paid staff were paid for by the government. Due to processes such as secularisation, depillarisation (phase 3) started, leading to the merging and fusion of the large pillarised nonprofit providers into *professional* organisations that have adopted field wide norms (Powell & Friedkin, 1987). It became hard to draw a line between nonprofit and governmental organisations. This means private norms and values (e.g., religion) became less visible in most nonprofit organisations. Many paid staff in nonprofits perceived themselves as working for a governmental institution. The next phase started when *market* was introduced for the big service delivery organisations. It is important to understand that until about the year 2000, there were very limited or almost no direct financial lines between nonprofit organisations and businesses; philanthropy (individuals, businesses and foundations)

made up less than 3% of the overall funding of the sector (Burger et al, 1999).

Phase 5: Going Private: Reinventing Civil Society

The fifth phase, going private: reinventing civil society, represents a major change in the Dutch nonprofit regime from corporatist to liberal (Salamon et al., 2000; Meijs & Voort, 2004). In the public discourse, civil society plays an important role defined as taking one's own responsibility and rendering informal care and formal volunteering service to people in need. There is big public pressure on people to volunteer and on organisations to work with (more) volunteers. Volunteer administrators and volunteer centres are forced to recruit more volunteers although the paid staff part of the organisations that wants to volunteer is still resentful for having lost the financial and job security of governmental subsidies.

To support this move, the Dutch government undertook several initiatives to support and improve volunteering (Davis Smith & Elis, 2003; Brudney, 2004; Hal, Steenbergen & Meijs, 2005). The immediate results of these campaigns are limited but have led to the establishment of a supporting infrastructure. In mid 2006, in about 200 of the 470 municipalities, there is an active volunteer centre. Volunteer administrators use this infrastructure to recruit new volunteers, to have volunteers and themselves trained, and to establish contact with businesses.

Also in this time frame, the Dutch business sector has taken corporate social responsibility to the local level of business community involvement. As stated before, corporate philanthropy and volunteering were unfamiliar concepts until somewhere at the end of the 1990s. From then, there has been a slow developing tradition. By early 2003, about fifteen largely multinational companies had become involved in *Samenleving en Bedrijf* (the Dutch Business in the Community). The majority of these organisations are in banking or

consultancy (Meijs & Van der Voort, 2004). In 2006 one of the front-runners in this field celebrated its first 5-year lustrum of having a well-organized corporate volunteering program. Volunteer administrators still are not comfortable going to businesses themselves. There are also no examples of (former) volunteer administrators working for corporate volunteering programs.

Conclusion

Dutch nonprofit organizations rapidly face the question of who to turn to for getting paid staff funded. The corporatist tradition in which every nonprofit organization gets government money is diminishing, while there is no tradition of high fees or large private donations. Although the signs are hopeful, there is also not yet a real tradition in corporate community involvement, including philanthropy.

It must be clear that this really influences the position of volunteer administrators. Firstly, their job security is under stress because of the increasing funding insecurity. Much more positively, volunteer administrators can and must play an important role in helping their organisations attract more private and voluntary contributions, first in time but also in money. Volunteer administrators need to establish new volunteer programs aimed at fundraising instead of delivering services. They also must play a more public role in helping to develop a tradition of private and corporate philanthropy.

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