

ALEXIS DE TOCQUEVILLE REVISITED (The Contemporary Relevance of America's "Civil Society")

An Essay Presented to the Kit Kat Club of Columbus

by Gary C. Ness,

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I can think of no other commentator on the nature of America (i.e., the United States) and Americans whose work is more frequently cited (or alluded to) than Alexis de Tocqueville, the French aristocrat who - despite what one might expect from his affluent and privileged upbringing and life - was regarded by himself and others as a vigorous "liberal". Tocqueville was born in 1805, well-educated and trained as a lawyer, and he was drawn to the intellectual challenge of delineating what France and the French citizenry might pursue and might find as the country emerged from the bloody overthrow of its monarchy and ensuing turmoil of revolution and the military dictatorship of Napoleon Bonaparte which concluded in 1815.

The young United States beckoned as an intriguing potential model worthy of firsthand study. Accordingly, Tocqueville traveled to our country in 1830 - his 25th year - where he and a colleague spent nine months touring the nation, including what was then regarded as the "frontier". Tocqueville made it known before departing France that the primary purpose of his visit was to see and assess what we today would call the American criminal justice system; indeed, he and his cohort did publish, early in 1833, a volume entitled "On the Penitentiary System in the United States and Its Application to . France". But scholars who have studied Tocqueville's travel notes and other correspondence have determined that, at the least, he felt his experiences and observations might well merit a more comprehensive treatment. Thus, what we know as "Democracy in America" was written by Tocqueville alone and published in two volumes.

Volume I emerged in 1835, was well-received, and apparently (for the time), was widely read. For all who could not travel and experience the USA, this volume was a compelling window onto our country roughly a half-century after our war for independence and about 40 years after we embarked under governance as prescribed by the Constitution.

Volume II was published five years later (1840), but it met with a decidedly less positive response - at least among lay readers. This second volume dealt largely with the nature of a society that had determined that it wished to be governed as a democracy, albeit an "indirect democracy" or republic, What characteristics were apparent in such a society? And, since no governmental system could be absolutely flawless, what were the perceived shortcomings and systemic consequences of democracy in America, and how were Americans coping with these challenges?

It is Volume II of "Democracy in America" and, more specifically, Part II of that volume which is the genesis of this essay. It is Tocqueville's findings and reflections on what he regarded as "individualism" that both intrigue and concern me. Further, it is the apparent relevance, across the last 17 decades of American history, of his observations

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that cautions us NOT to consign his thoughts and words to a long-ago historical niche that would likely interest only a few.

Tocqueville's work alone may not have been sufficient to prompt this essay, but the precipitating catalyst was my encountering a slim volume authored in 2003 by Lester Salamon of Johns Hopkins University. Entitled "The Resilient Sector: The State of Nonprofit America", this work draws on the growing body of research and scholarship by Salamon and others in the last quarter century. (As an aside, I confess to being fascinated by "thin" books on vast topics - such syntheses/summaries often may overgeneralize and gloss over critical subtleties but many reveal the marvelous power to make comprehensible masses of fact and data that otherwise intimidate all but the most dedicated student.) Salamon's book uses certain of Tocqueville's observations as a takeoff point. What did Tocqueville say that seemed not only accurate but prescient? As characterized by the editors of what I understand to be the most highly regarded recent translation:

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"Americans suffer ... from 'individualism', a lamentable condition-which Tocqueville was the first to depict - in which democratic men and women are thrown on their own resources and consequently come to feel themselves overpowered by impersonal, external forces. But individualism is not the fated consequence of democracy; there are remedies against it, above all the capability of Americans to associate with one another voluntarily in accordance with their own will and reason instead of relying on a centralized, 'schoolmaster' government to take care of them." (Mansfield/Winthrop, p. xviii)

In Tocqueville's mind, individualism and its attendant dangers arise from the political equality of a democratic citizenry, but the freedom that attends democracy in the United States not only allows but also encourages the emergence of these civic associations. As Tocqueville observed, "In democratic peoples, associations must take the place of the powerful particular persons whom equality of conditions has made disappear." (Tocqueville, vol.II, p. 492 in Mansfield/Winthrop)

Finally, Tocqueville averred that:

"There is nothing, according to me, that deserves more to attract our regard than the intellectual and moral associations of America. We [foreign observers] easily perceive the political and industrial associations of the Americans, but the others escape us; and if we discover them, we understand them badly because we have almost never seen anything analogous. One ought however to recognize that they are as necessary as the first to the American people, and perhaps more so. In democratic countries the science of association is the mother science; the progress of all the others depends on the progress of that one. Among the laws that rule human societies there is one that seems more precise and clearer than all the others. In order that men remain civilized

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or become so, the art of associating must be developed and perfected among them in the same ratio as equality of conditions increases." (Ibid.)

To "fast forward" to our contemporary world, Professor Salamon makes the point:

... two seemingly contradictory impulses ... form the heart of American character: a deep-seated commitment to freedom and individual initiative and an equally fundamental realization that people live in communities and that they consequently have responsibilities that extend beyond themselves. Uniquely among American institutions, those in the nonprofit sector blend these competing impulses,

creating a special class of entities dedicated to mobilizing PRIVATE INITIATIVE FOR PUBLIC GOOD." (Salamon, p. 3)

Labeled by Salamon, among others, as the "third sector" (the other two are government and for-profit businesses), nonprofits were a valued and intrinsic part of American society, at least until the middle of the 20th century. Across the many decades since Tocqueville had drawn attention to them, nonprofits had addressed an everwidening array of social needs and cultural enrichments. They consistently excelled at illuminating unmet needs and opportunities and at mobilizing private resources (e.g., time, talent, and money). On the other hand, the tasks often dwarfed their capabilities and, in certain areas, nonprofits with similar interests viewed one another as competitors to the disadvantage of the "cause" in question. Whether nonprofits ought to be relied upon to the extent that they had become crystallized in a political debate in the 1960's wherein "conservatives" extolled the time-honored virtues of nonprofits noted above, and "liberals" emphasized the limitations or weaknesses and argued that truly important undertakings required the continuity and stability of resources that could best be provided by an agency of government. Salamon notes that the outcome was a classic American compromise wherein the government took increasing account of causes and issues requiring attention but facilitated the efforts of nonprofits to address same by budgeting and granting substantial sums to the nonprofits so that they could better provide their services and programs. Perhaps everyone in this audience tonight remembers the outpouring of federal grants and the counterpart increases in allocations toward health, education, social services, and cultural enterprises by state and local governments in the 1960's and 1970's.

In the 1980's, though, that compromise which had been responsible for some very heady growth both in the size and the number of nonprofits was called into question. Simultaneously, other major challenges to the status quo began to exert pressures that could not be ignored; these included profound demographic developments, the technological revolutions in communications and information storage and transfer, competition from for-profit providers, public skepticism, and shifts in public policy - to name a few. The nonprofit sector has responded variously, but for the most part, responsibly and creatively. Nonetheless, it is not yet clear whether the nature and extent of those responses have introduced changes in the fundamental nature of nonprofit

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enterprises that are, or will be, in Salamon's words, "... corrosive of the sector's special character and role." (Salamon, p. 4)

What are the functions of nonprofits in America? Salamon notes that they are one or more of the following: service providers, advocates (a kind of "social safety valve"), outlets for expression (especially religious and cultural), community builders (connections encourage citizenship and provide entree to political and economic life), and guardians of values (especially that of encouraging/inviting the initiative of the private person in behalf of a perceived public good). Moreover, the nonprofit sector is a highly significant component of the American economy; as of 1998, three times as many persons were employed by nonprofits as were in agricultural pursuits, twice the number employed in wholesale trade, and 50 per cent more than in either construction or finance/insurance/real estate. Only the manufacturing sector had more employees, but that margin was more than halved when the "presence" of nonprofit volunteers was included. (Salamon, pp. 7-14)

Having established the prominence of nonprofits within our national economy, what are the challenges which have compelled response, elicited significant change, and seem to have affected the nonprofit sphere disproportionately (or exclusively)?

Among the general challenges are uncertain funding, increasing competition, documentation of effectiveness, and evolving technology. After 1980, government funding of nonprofits underwent a marked decline in the previous rate of growth (and, in certain parts of the sector, an actual decrease when adjusted for inflation). Further, new ground rules were pronounced as to how and for what available funds would be distributed. The economic difficulties of the early 1980's affected all parts of the economy, of course, but nonprofits had to reckon with "a world turned upside down" insofar as the build-up of their government funding in the 1960's and 1970's had resulted. In public dollars surpassing private contributions (traditionally, the largest source of support) by a 2:1 margin. Thus, many nonprofits had become financially dependent upon an "ally" whose future support was uncertain, at best. In the short run, philanthropy could not (or did not) fill the resulting gap, thereby triggering a variety of responses including curtailment of services.

To generalize from the data generated by Salamon and others, private contributions seem to flow more generously toward nonprofits whose missions seem especially urgent and whose stewardship is perceived as particularly meritorious. This conclusion is suggested by data that show philanthropy, expressed as a percentage of annual personal income, reached a level in the 1970's that was not again attained for a quarter century (in 2001, when charitable giving jumped significantly in the wake of September 11 terrorist attacks). (Salamon. pp. 20-21)

Salamon and colleagues also speculate about the role played by reduction of tax rates; at first glance, lessening one's taxes would appear to increase the likelihood of one's being philanthropic, but the irony is that lowering the tax rate removes much of the financial incentive to give. Researchers note, in validation of this ostensibly unintended

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consequence, that philanthropic contributions from the "well to do" have decreased markedly since the 1970's.

Competition is, almost invariably, regarded as a positive dimension of our political realms; competition gives the "consumer" (i.e., the private citizen) a choice, and in such an environment, the expectation is that "cream rises to the top" or that "the fittest survive". In any event, the public is regarded as benefiting from more competition rather than less. Nonprofits have increasingly faced two basic types of competition recently: the emergence of new nonprofits with missions similar (or identical) to that of established organizations and the development of for profit enterprises that unabashedly "cherry pick" those programs and services that are most popular and/or most needed. These for profit entities, therefore, compete against nonprofit counterparts on a "playing field" of the former's design. Salamon points out that:

"Even the sacrosanct field of charitable fundraising has recently experienced a significant for profit incursion in the form of financial service firms such as Fidelity and Merrill Lynch. The Fidelity Charitable Gift Fund, established in 1991, thus gives Fidelity investors the opportunity to establish 'donor-advised funds' with the same institution that manages their investments. By 2000, this fund had attracted more

assets than the nation's largest community foundation (New York Community Trust) and distributed three times as much in grants." (Salamon, p. 23)

Why would new nonprofits and for-profits enter the realms of established nonprofits and why have they enjoyed more than modest success in doing so? Analysis points to a major shift in public policy toward, for example, "third party payers" in the health care field and "consumer-side" subsidies as a substitute for grant-funded provider subsidies. In the competition for customers whose needs or wishes are now at least partially and directly Underwritten by funds that previously stabilized nonprofits, the forprofits typically have an advantage because of their more aggressive marketing and their focus on "bottom line" profits and cost-cutting. Emphasizing the "sizzle" rather than the "steak" and paring back the delivery of services while maintaining (or increasing) prices for those services often results in supplanting the quest for quality 'with a debatable level of adequacy. Moreover, certain ephemeral but important benefits usually linked to nonprofits (such as civic pride and quality of life) are often lost or devalued.

Organizational effectiveness is also a thorny challenge. Performance measures (yardsticks of efficiency and cost effectiveness) have, increasingly, shaped and defined the competition among for-profit entities. Interestingly, nonprofits have traditionally been perceived as most active and most essential in those areas where the desired outcomes seem to resist precise and consistent measurement. This particular distinction between for-profit and nonprofit entities might simply have become one more differentiating element, bringing no particular disadvantage to nonprofits. But, especially in the 1990's, government climbed on this bandwagon. This attention by governmental agencies and officials was/is certainly appropriate in dealing with production and supply

issues, but it seeped into the entire funding environment. In the past, nonprofits had earned the confidence of their funders - whether governmental or philanthropic - because of their expertise and because of a deep bond of trust and a hard-won reputation for integrity and scrupulous dealings. In this newer context, governmental administrators were insisting on relevant and (from their perspective) unambiguous documentation.

The continuing revolution in the transmission, processing, and storing of information has posed difficulties while also expanding the capabilities of nonprofits. The foremost challenge arises from the nonprofit community's relative inability to amass pools of financial capital for use in becoming and staying current with relevant technologies. Lacking the authority to sell stock or to quickly convert its social capital into financial resources, nonprofits tend to lag technologically and, thus, lose ground to for-profit competitors.

The foregoing challenges (shifts in funding, new competitors, "hard" evidence of productivity, and technological currency) staggered the nonprofit world, but even they might have been addressed, accommodated, and/or deflected had not two other challenges erupted from within the nonprofit communities themselves. Salamon characterizes the first of these as a crisis of "legitimacy"; he asserts that:

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"... a serious fault line seems to have opened in the foundation of public trust on which the entire edifice of the nonprofit sector rests. This may be due in part to the unrealistic expectations that the public has

of these institutions, expectations that the charitable sector, ironically, counts on and encourages. Also at work ... has been the strident indictment ... lodged against many nonprofit organizations over the past two decades. The central charge in this indictment is that nonprofit charitable organizations have become just another special interest, regularly conspiring with government bureaucrats to escalate public spending, and doing so not so much out of real conviction about the needs being served as out of a desire to feather their own nests." (Salamon, p. 29)

This climate of suspicion was abetted, if not caused, by the high profile scandal at the United Way in the early 1990's. Both analysis and personal experience suggest that a particular nonprofit's "good works" do not materially enhance other organizations in the same broad field or all nonprofits as a sector. On the other hand, a single highly visible controversy contributes to a general rise in public anxiety and uncertainty about the entire sector. The nonprofit world suffered from such fallout a decade ago and continues to be vulnerable to a kind of "guilt by association".

In addition to being placed on the defensive by certain public officials and by evidence of a decline in public confidence and trust (or, perhaps, because of these), nonprofits began to experience unwieldy levels of turnover among their professional staffs. In particular, executives came and went at a disconcerting rate. Some leaders saw their longstanding cadre of knowledgeable and seasoned officeholders and benefactors supplanted through term limits or simple longevity; others believed they had exhausted

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their own talents and had nothing left to "pull out of the hat" to rescue their organization . as they had previously; more than a few were simply exhausted by trying to meet shifting and expanding expectations. In the course of these shifts, nonprofit leadership seemed to have lost some of its prestige and appeal.

Lest this picture appear too bleak, opportunities or potential benefits were also embedded in these same years, including favorable social and demographic shifts, emergence of what some have labeled as the "new philanthropy", and a resurgence of attention to nonprofits by both the for-profit and governmental sectors. As noted by many researchers, a rapidly growing cohort of Americans were retired, and many had more discretionary income and more leisure time. Further, a large cluster of Americans (recently identified as the "cultural creatives") emerged with an approach to life that seemed likely to resonate well with the missions of many nonprofits. And, there was a tremendous growth in demand for human services to address the needs of working mothers, the implications of a rising divorce rate, and the recognition of the benefits and implications of pre-school and after-school programs and home schooling.

The so-called New Philanthropy received much impetus from the widely anticipated "inter-generational transfer of wealth" that is underway and will continue across the next few decades. This shift prompted the development of very sophisticated fundraising mechanisms throughout the nonprofit world and, when augmented by the substantial growth of wealth in the 1990's, greatly enlarged the potential for philanthropy. Many for-profit corporations also undertook a more energetic effort to associate themselves with selected nonprofits- partly out of a sense of altruism and partly in a quest for visibility and a "piece" of the social legitimacy and "cachet" of their nonprofit "partner". Increasingly, a for-

profit's decisions about supporting nonprofits is shaped by the focus and size of its marketing and advertising budgets rather than by a more traditional contribution from an allied foundation.

Governmental rhetoric in the 1990's also took account of America's "third sector", beginning with former President Bush's " ... thousand points of light" and carrying through President Clinton's attention to "reinventing government" to the current President Bush's attention to expanding delivery of services by "faith-based charities". In many instances, this rhetoric about partnerships with private nonprofits was accompanied with financial allocations to the nonprofits, but the nature of many of these arrangements proved too fluid to serve as a basis for confident planning.

The title of Lester Salamon's book, "The Resilient Sector", conveys his assessment that American nonprofits, taken as a whole, have been remarkable resourceful and adaptable in confronting the major challenges and pursuing the major opportunities encountered in the past 20-25 years. And Salamon provides a compelling argument to buttress this assertion of resiliency by noting ten major developments that illuminate the nature and extent of the sector's responses. [NOTE: Our own experiences and observations likely prove Salamon's points - recall the configuration and mode(s) of service delivery of your "favorite" nonprofit as of the mid- to late- 1970's. Consider how this organization's "niche" is now populated by newer nonprofits with parallel or

overlapping purposes; note how your organization now endeavors to create an awareness of its services by marketing and advertising; compare the level of public funding now received with that of a quarter century ago; appraise the amount of time, money, and effort being devoted to fundraising; comprehend your organization's attempts to sell related services and products (including what the IRS regards as "unrelated" to its fundamental mission); listen to the vocabulary of today's nonprofit managers as they discuss "customers" (rather than patrons, members, or clients), "strategic planning", and "performance indicators"; look for evidence of "partnerships" with for-profit entities (who are practicing what is called "cause-related" marketing) and with governmental agencies (seeking to leverage their own appropriations through "public-private partnerships" - to use Ohio's phrase); note the nonprofit subculture that has sprung up to assist and support your organization's professional staff (through professional gatherings, newsletters, websites, and list serves); and discern the nature of any competition from the for-profit sector and how your organization has weathered the challenge (this competition is in the realms of both service and product delivery and political influence). In assessing the foregoing, my strong hunch is that "your" organization - regardless of the services or products it provides - has changed dramatically, and moreover, an expectation of the need for continuing change (i.e., "resilience") is a part of the institution's culture.]

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So - if America's nonprofit organizations have been subjected to a wide array of significant forces emanating mostly from outside the sector itself across the last quarter century, and if these forces have been cloaked and perceived as challenges and as opportunities, and if the nonprofit community has undertaken and undergone substantial and continuing changes so as to blunt the challenges and pursue the opportunities _ then aren't our nonprofits stronger than ever and fully capable of fulfilling the essential roles identified by Tocqueville more than 160 years ago?

To Salamon and other social researchers and commentators (and, I suspect, several persons in the audience this evening), this vital question cannot be answered confidently in the affirmative. One reason

is that not enough evaluative data has been accumulated and analyzed. But a more important reason is that insufficient attention has been paid - by the nonprofit sector itself and by its governmental and for-profit counterparts - to the implications and effects of the changes implemented to date. Salamon speaks earnestly of the "distinctiveness imperative" and the "survival imperative" intrinsic to nonprofits. Both of these impulses are crucial, but they are not identical, and the latter has received the "lion's share" of attention (and other organizational resources) recently. As a result, Tocqueville may not recognize many of our contemporary nonprofit associations nor might he perceive that they are effective stewards of the responsibility he saw as so crucial: serving as a counterweight to individualism and bringing us together for the common good.

Nonprofits must assess their current circumstances and how they came to be where they now find themselves. And, they must convey accurately and comprehensibly to their audiences and to the public at large what they are seeking to accomplish as an organization. Both the for-profit and governmental sectors also need to evaluate their relations with, and influence(s) upon, nonprofits and soberly appraise whether (and how)

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their policies, inducements, and other influences are deflecting nonprofits from their reason for existing and/or diluting the nonprofits' ability to accomplish their worthy and needed mission. The nonprofit sector, taken as a whole, deserves bolstering through the providing of capital for funding technology and physical facilities commensurate with the significance of their task; further, policies and practices which now implicitly discourage individual philanthropy should be reconsidered.

Lester Salamon concludes:

"It is said that the quality of a nation can be seen in the way it treats its least advantaged citizens. But it can also be seen in the way it treats its most valued institutions. Americans have long paid lip service to the importance they attach to their voluntary institutions, while largely ignoring the challenges these organizations face. During the past two decades, these challenges have been extraordinary America's nonprofit institutions require broader support in preserving the features that make them special."
(Salamon. p. 86)

SOURCES

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ALEXIS DE TOCQUEVILLE REVISITED (The Contemporary Relevance of America's "Civil Society")

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