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Ben Gurion University, Beer Sheva, Israel
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PUBLIC AND PRIVATE ISSUES: THE ROLE OF RESEARCH

Professor Gidron and distinguished guests:

To me it is simply astonishing that we should be gathered here today to commemorate the opening of the Israeli Center for Third-sector Research. Who would have thought when I began my academic career more than forty years ago that such a "field" could exist? And even when such a field began to develop a little more than two decades ago, who would have thought that it would have appeal to social activists, academics (not to mention governments) outside the United States? Such persons would have been either visionary or silly, or both.

In my country there had long been research that, in retrospect, was closely related to ideas and behaviors which today we label "the third sector." For the most part, these efforts were conducted in the schools of social work newly created in the early part of this century, and they flowed from the first, fumbling efforts of Americans to understand how the national state might intervene to alleviate the physical and material dilemmas of too many citizens. These schools of course trained one of the most important new groups of experts who were so dramatically altering the nature of American life, but they also began to develop a new form of social science related to the systematic understanding of poverty and other social ills. The genius of the schools of social work was that they were necessarily interdisciplinary, in an era in which the newly-established academic disciplines were beginning to flex their territorial muscles. The social work researchers spread their intellectual nets widely, nowhere more so than in the magnificent School of Civics and Philanthropy at the University of Chicago under the inspired leadership of Sophonisba Breckinridge.

These efforts in the social analysis of living conditions were of course taken up by the emerging disciplines of the social sciences, following the lead of the social workers. Sociology and political science, as well as economics, began producing the sort of scholarship which investigated the root causes of social dysfunction. And like the social workers, they did so in close collaboration with state and municipal governments, for they understood from the start that their research needed to be both scientific and practical. Such academic research was financed not by the universities,

but by the private philanthropic foundations that themselves had only been created in the period just before the First World War, led by the several Rockefeller Foundations and the Russell Sage Foundation. This research actually epitomized the philosophy of the early philanthropists, who desired to move beyond charity's goal of alleviating distress and to discover the underlying causes of social and physical dysfunction, and it was in large part stimulated by philanthropic investments in research funded by their foundations. What emerged before the traumatic years of the Great Depression, then, was a growing and interconnected system of funders, university researchers and governments concerned with discovering new (to the United States) methods of identifying, analyzing and responding to social problems.

It is important to recognize that this newly-consumated marriage of social science, philanthropy and government was largely an American phenomenon in the period before World War II. The reasons for this were many, but they mostly stemmed from the adamant refusal of Americans to allocate to their governments the research and planning functions that were already common in Europe. Americans have always feared socialism, and in the years following the turn of the twentieth century, they were particularly anxious about the manifestations of the welfare state that had taken root almost everywhere in Europe. But the turn of the century era was also a period of energetic political reform in the United States under the label of Progressivism. Spurred by the reformers and their own form of social conscience, the Americans recognized the existence of severe social ills in their country (illness, poverty, ignorance) and wondered how they could begin to address these problems without permitting the expansion of state power and the consequent constriction of individual liberty.

The answer (that took form over a generation) was to apply new industrial wealth, the human resources of the recent professionalization of social services, the new techniques of industrial organization and the exciting discoveries of the second Scientific Revolution to the investigation and remediation of the social problem. This was intended to be a private sector, free market approach to the dilemmas of an onrushing industrial society, in keeping with American political values. The model was the use of the huge amounts of disposable wealth and the rapidly expanding body of social knowledge in new organizational forms to search for the root causes of social ills and to develop policies to address them. For many of the new class of private investigators of social problems, another part of the model was to develop policies that federal, state and local governments could subsequently implement. Government, that is, would be brought into play at the end of the planning process, not in its beginnings.

This stunning system of philanthropy, university-based social work, and private/public partnerships was derailed to some extent by the economic crisis of the

New Deal and the extraordinary statism of the Second World War, which among other things weakened the relative power of philanthropy and witnessed the emergence of large-scale planning and policymaking in the federal government. The private system, driven by the emergence of large and socially activist philanthropies such as the Ford Foundation, began to grow vigorously in the 1950s, but now tended to work in closer harmony with the Democratic neo-welfare regimes of the 1960s and the Nixon administration. The system was enriched by the incredible expansion of the nation's academic research capacity -- which, it is important to remember, is in itself a public/private partnership. It was also enhanced by the expansion of the "think tank" model which had first appeared in the 1920s. The system continues to grow and change, but the funding-research-policy model and the public/private partnership continue to be the paradigm for social planning in the United States.

Ironically, however, the system was not used to study itself until fairly recently. It was not until the 1980s, for instance, that the term "philanthropic studies" was coined, and even today it is not a widely accepted or understood term in American academic life. The reasons for this neglect are probably many, but I can suggest a few. One would be that the word "philanthropy" was fairly narrowly understood in its earlier twentieth century meaning of investment in social improvement ("the Chicago School of Civics and Philanthropy," for instance). This field was dominated by schools of social work, which for a long period were more narrowly focused on remedial techniques than on social planning. A related factor was the stranglehold that the disciplinary departments had on the design and reward of research. This produced narrow and awkward results in an era in which the public policy orientation of sociology, economics and political science that had characterized the rise of these fields before the Second World War gave way to more theoretical scientific and self-referential behavior in the fields of the social sciences. The split between "doers" and "thinkers" was growing, and the academy disproportionately rewarded the "thinkers." But, to be fair, the field of policy analysis itself was slow to appear, and did not become prominent until the 1960s. It is probable that the notion of studying the private inputs into the policy process could not take root independently of its larger intellectual environment.

I should now confess that none of this had occurred to me before the mid-1970s, since until then I was contentedly studying legal history and constitutional law. All of that changed when I received a phone call from a friend, Humphrey Doermann, who had just been appointed the Executive Director of a newly-formed philanthropic foundation. Humphrey took me to lunch and asked what I could tell him about the historical literature on foundations. I had to plead ignorance, but told him I would go to the library and get him the answer. When I called him a few days later, I told him that very little of consequence had been written on foundations themselves or the milieu in which they worked. He was surprised, but asked whether I would be willing

to undertake such a study for his foundation. I told him I was intrigued by the challenge, but unsure of whether I had the necessary expertise. I knew, however, that my friend and History Department colleague Barry D. Karl knew a lot about the subject. Karl had just completed a biography of one of the founders of the modern field of political science, Charles Merriam, and had become fascinated by Merriam's role in building the Social Science Research Council as a mechanism to direct foundation funding to the social sciences. Barry liked the idea of a collaboration, and I called Humphrey to tell him we would go to work on the history of foundations, without which, we thought, it would not be possible to understand current foundation organization and behavior.

I will spare you the full story of our collaboration, but I cannot resist two observations. The first is that Barry is only now completing the book we thought we could finish in a decade (our first efforts having been made in about 1975), and the second is that Humphrey's board rejected the notion of philanthropic history, much to Humphrey's embarrassment and our discomfiture. But Barry and I were hooked, and began to research what we hoped would be a big book on the origins of the major philanthropic foundations of the era before World War I. Penniless in Chicago, we applied to something like thirteen major foundations for research support, and were turned down by each and everyone of them for the same reason -- our project was "out of program." At this point I received a telephone call from the President of the Ford Foundation, McGeorge Bundy, who wanted to know how Barry and I were coming with our history. "Not well," I hastened to report, "since you and your colleagues did not think the project worth funding." Never lacking a response, Mac said that our book was indeed not part of the grant programs of most of the major foundations, but thought it a really important endeavor. He put his money where his mouth was, and made us a small grant from his discretionary fund, promising that even Ford's small contribution would bring others in. And he was right.

Even so, we might not have been able to undertake the project if it were not that the Rockefeller philanthropies were just opening their magnificent Archives Center in Pocantico, New York. The Rockefeller Archive Center was and is a model of its kind, providing almost total access to the historical records of the several Rockefeller foundations and the Rockefeller family (and now to the records of other, related philanthropic organizations). We were overwhelmed by the richness of the material, but drawn up short to realize that this was the only records center of its kind in the United States, and by the awareness that many other philanthropic institutions would not permit scholarly access to their records. This realization forced us to expand our mission from simply studying foundation history to becoming advocates for the retention of philanthropic records and provision of scholarly access to them. In short, we found that we had to become students of the grantmaking effort as a whole,

knowledgeable about the foundations and the people who ran them, and thoughtful about the entire philanthropic enterprise in its relation to public policy. By this time, probably around 1980, we had renamed our project the study of "philanthropy and public policy:" we were increasingly interested in how grantmakers interacted with scholars and scholarly institutions to impact on public and private public policy.

Both Barry Karl and I have continued to make philanthropy and public policy the focus of our research efforts, and have also developed graduate and undergraduate courses in the field. By now, we have trained several fine Ph.D. students in the field, and we have been gratified to see that the history of philanthropy now seems like a recognizable specialization in historical research (though it has yet to be admitted to the research taxonomy of the American Historical Association). But of course we did not set out to create a field. We were simply following up questions about the relationships between funding and research that seemed to us crucial to understanding the origins of social policy in the twentieth century United States. We were, however, intrigued to hear of the establishment of a new national organization, Independent Sector, in the early 1980s. IS, founded by the estimable John Gardner, sought to bring together both grantmaking and voluntary organizations in our country with the aim of creating a self-consciousness among those whose non-profit organizations made up the "independent" (as Gardner called it) or "third" sector - the space between the state and the market economy. Barry and I had never conceptualized the problem in this way (and we were and are suspicious of the concept), but the prospectus for IS announced that it would be interested in research, and we wrote to its new president, Brian O'Connell to find out what was planned.

We initially received no response, but by 1983 IS announced the formation of a Research Committee and I was invited to join. The IS Research Committee was chaired by Robert Payton, a distinguished former university president and then the president of the Exxon Education Foundation. The Committee was staffed by the estimable Virginia Hodgkinson, IS's Vice President for Research. Virginia and Bob organized a remarkable effort which, in large part, actually produced a research field focused on philanthropy. This was a tremendous accomplishment, especially since IS had neither the money nor a mandate to fund most research. The success of their effort was a tribute to their intelligence, vision, commitment and networking skills.

The IS research strategy was multifold: to collect and provide benchmark statistical data on the sector; to survey behavior relevant to the sector; to stimulate individual academic research; to jump-start academic centers for research on philanthropy; to create a scholar-practitioner community committed to sectoral research, to convene scholars and practitioners interested in research (through annual research forums), and to track activities in the emerging field. The Committee itself gathered together many of the most prominent scholars whose work touched on any aspect of philanthropy

along with a well-selected group of managers of funding and voluntary organizations. The academic and practitioner communities had not previously been in touch with one another, nor had most of the scholars thought of themselves as a coherent learning community. The IS Research Committee set out to change all of that -- and to the extent that it did, credit must go to the dedicated and catholic leadership of Payton and Hodgkinson.

Bob Payton's dream was the creation of an academic discipline of philanthropic studies. He imagined (and imagines still) an interdisciplinary field in which economists, sociologists, anthropologists, political scientists, historians, philosophers and literary scholars would come together to understand the Third Sector (the term I will use henceforth to avoid confusion). The goal of such an enterprise was the creation of Departments of Philanthropic Studies which would offer both undergraduate and graduate training, especially the Ph.D. Since departmental status is the sign of acceptance in the academy, at least in the United States, field-building would require the recruitment and training of scholars committed entirely to philanthropic research. Payton was thus in tune with the most exciting development in our university system, the emergence of new interdisciplinary and multidisciplinary fields of study. The two most prominent of these new fields were Women's Studies and Black (now called African-American) Studies, that had come into existence in the 1960s, and that were moving from program to departmental status by the 1970s. We now have any number of these "studies" fields, distinguished by the fact that they are organized around a problem rather than a methodological technique (a "discipline"). Why not, Bob Payton asked, a field built around the problem of the Third Sector?

I, for one, did not believe that Philanthropic Studies was likely to follow the successful trajectory of the "studies" fields. Bob and I disputed the point inside the Research Committee, and outside. My view was, as is, that we were unlikely (for a variety of reasons) to succeed in attracting first rate scholars to abandon their disciplines for Philanthropic Studies. Likewise, we were unlikely to recruit the most promising new graduate students into the field. There were, after all, special reasons why scholars changed their careers to enter Women's and Black Studies (most of them were women and Blacks), and there are not comparable reasons in our new field. But it does not matter, for what we have to do, and can do, is to interest first-rate scholars of all ages in the problem of understanding the Third Sector. We must encourage them to do some research in the field, if only on a one-time basis. For, after all, Bob Payton and I were always agreed that the measure of success would be the production of a substantial body of high-quality, peer-reviewed scholarship. And that has begun to happen.

When the IS Research Committee opened its doors in 1983, there was only one major research center dedicated to the study of philanthropy -- the Program on Non-Profit Organizations at Yale University. Over the years since then a large number of research centers focused on the Third Sector has emerged, and the centers themselves have a loose organizational superstructure. One of the largest is the Center on Philanthropy of Indiana-Purdue University-Indianapolis, the Center Bob Payton himself reorganized, refunded and brought into prominence. The field has also spawned not one but two scholarly organizations. The first, built on a fine but more narrowly defined earlier organization, is ARNOVA (the Association for Research on Non-profit Organizations and Voluntary Action), which covers the full range of activities encompassed by the Independent Sector organizations. The second scholarly organization is ISTR (the International Society for Third Sector Research), an organization with a thoroughly international membership (though it needs to be said that ARNOVA also has a substantial foreign membership). ISTR in fact emerged out of an IS Research Forum on international philanthropy held in Boston in 1990. The Founding President of ISTR was, of course, none other than Benny Gidron. The two associations publish distinguished journals: NSVQ (ARNOVA) and VOLUNTAS (ISTR). From a situation in the 1970s, then, in which there was only scattered scholarship on philanthropy, and not much of it, we now find ourselves with a fairly rapidly growing community of scholars and scholarly organizations, both within the United States and abroad. The Israeli Center which we commemorate today is only the most recent in a world-wide movement to understand the institutions of civil society.

The internationalization of interest in the Third Sector (an American concept of the 1970s, so far as I know) has been crucially important to the progress of the field. I was one of the "faculty" members for a 1986 session of the Salzburg Seminar dedicated to philanthropy. Forty-two practitioners and scholars from the States, Europe and the Middle East attended the seminar, and many of these individuals are now among the leaders of the Third Sector or Third Sector research in their own countries and regions. (Three of the original Salzburg participants were Israelis, by the way.) That meeting quickened interest in the field in Europe and Israel, and was quickly followed by meetings in Germany, Israel (not surprisingly under the leadership of Benny Gidron) and elsewhere -- and culminated in a major Center for Philanthropy meeting in Indianapolis which, in effect, was the birthplace of ISTR. In many countries in Europe, Israel and the Middle East, Africa, Asia and Latin America there are now individuals and groups of scholars investigating the nature of the Third Sector in their own countries and regions.

Significantly, there is now also a very important research project, conceived by Lester Salamon and Helmut Anheier, of Johns Hopkins University, which is statistically mapping data on the Third Sector in nearly twenty countries around the world. This

internationally comparative approach, done expertly and on a grand scale, is crucial to our understanding of the sector. Not only does it enable the participating countries to map their own not-for-profit geography, but it will provide data essential to our attempts to determine the ways in which the Third Sector is (or is not) a universal social phenomenon. Until about twenty-five years ago, after all, the general assumption was that only the United States had a not-for-profit sector, and even the U.S. sector, as I have indicated, was not well understood. Now most observers feel that the non-state, non-market sector is significant almost everywhere -- a sentiment driven in part by the current concern with the role of civil society. Ironically, it seems to have taken the end of the Cold War, and the consequent attempts to reestablish democratic behavior in the formerly socialist countries, to spur the capitalist societies to reexamine the social dynamics of their democratic behavior. Of course, these mapping concerns led directly to Benny Gidron's early efforts to survey the non-profit sector here in Israel, and, ultimately, to the establishment of the Israel Center we are now celebrating.

This Center is, then, the product of more than a decade of development of the field of Third Sector research outside the United States, and reflects the realization that the Third Sector, or at least "civil society" is now a central social science concept in the analysis of democratic societies. Thinking back on a quarter century of my own research, I can see clearly how far we have come, since my own original concern was much narrower. Barry Karl and I were interested in understanding the nature and impact of non-profit research funding on socio-political development in the United States. We were in fact interested in comparing the experience of the States with that of Western Europe, but neither of us was convinced of the social science utility of the concept of the "independent sector," a term which seemed to us both vague and value-laden. It helps a bit to call it the "third" sector, but even this more neutral concept seems to me to reify something that is more a process than an institution. The recent reintroduction of the notion of the term "civil society" helps even more, however, to begin to specify a process and a set of institutions which are neither state or market, but which overlap with both state and market.

I want to return to the question of defining the concept of the Third Sector at the end of my remarks, but now I want to suggest that the Israeli Third Sector community needs to confront all of the problems that we in the United States have been struggling with for the past fifteen years. Some of the problems are self-evident. I have in mind the twin problems of institutional definition of the sector and the systematic collection of data describing these institutions and behaviors. You can only count what you can describe, and it is not so easy to determine the boundaries of the sector and to unpack the complex of motivations and behaviors that constitute its essence. Gidron's early work on the subject, and the research he and others are doing on Israel for the

Salamon-Anheier project will constitute the baseline, but I can assure you that much more will need to be done to understand the sector fully, and to map it statistically.

More difficult, I think, is the challenge of creating the body of scholars necessary to mount a serious research effort in this country. You have one of the most sophisticated and talented academic communities in the world, but you will not find it any easier than the Americans have to draw accomplished social scientists and humanists into this line of inquiry. The disciplines here, as in the States, have their own agendas, and the current international enthusiasm for theory in the social sciences will make it hard to encourage the empirical and institutional research that must form the basis of our inquiries, and of our research field. My own advice, you will not be surprised to hear, is to follow the Katz rather than the Payton approach. Try to use your funding to entice the best scholars to work on particular Third Sector research projects, whether or not they are interested in long term work in the field. Try, as we have, to encourage talented graduate students in all fields to engage in dissertation research of interest to the field, whether or not they see their careers as being Third Sector researchers. We need to get on with the research whether or not a "field" may follow.

Another problem you will share with us is the difficulty of integrating the practitioner and scholarly communities into the work of this center. I think this has been one of the most frustrating failures of the American efforts, though we have tried hard to make it work. There are many challenges here, all of them pretty obvious. Scholars in the social sciences and humanities are normally best at determining their own research priorities, despite the best efforts of funders (whether state or private) to create incentives for their preferred agendas. The financial imperatives of research in health and the hard sciences create opportunities for funder direction of research which are not easily replicated in the humanities and social sciences which form the core of Third Sector research. This means that the policy orientation which both the state and Third Sector institutions would prefer in research design may simply not appeal to the research community, especially if it is short-term policy research. Practitioners, after all, have to solve problems now -- not at some distant point when an elegant research design has been brought to completion. Bringing the researchers on board will not be easy. In the United States many funders believe that short term policy research is best done in think tanks rather than universities, for think tanks are in the (not-for-profit) business of contract research, and are disciplined to work to contract specifications. The usual initiating mechanism here is the request for proposals. But even this will not work until there is a qualified body of local researchers to do the requested work.

There are problems on the other side of the equation as well. Practitioners are often not very good at knowing what they want, or need, in the way of research. This is simply to say that the problematization of research design that is necessary to the

commissioning of helpful policy research is a difficult intellectual challenge. Merely bringing the practitioners into the planning of research does not guarantee that they can help very much in figuring out what they need from the researchers. What is needed here is newer and more imaginative collaboration between the academics and the program managers. This is obviously not a problem unique to the Third Sector, but it has its special characteristics in our sector. The most important of these is the assumption of benevolence and disinterestedness in the sector, a factor that seldom surfaces when academics work with either state or market managers. How do we develop a perspective on the relation between researcher and Third Sector actors? I put it to you that this is a special challenge, and one we have not solved in the United States. It is partly that Third Sector funders have a powerful impact on the available market for research, and partly that we work in a rather artificial atmosphere of good feelings. It is hard to criticize the Sector, but we must cultivate a more scientific attitude of suspension of judgment as we study it.

Perhaps it is worth noting at this point that funding is a rather special problem in our field. I have already suggested that there are difficulties in dealing with Third Sector funders of Third Sector research, and I suppose the problem is obvious. Of course our private funding sector in the States is much larger than that in any other country, so perhaps you here do not have to concern yourselves with it. But it is hard to ignore the fact that much of the funding for research on the Israeli Third Sector has come from private funders, most of them outside of Israel. Is that a problem? I leave it to you to think about it. But let me say that in general I believe that such funders have a deep commitment to the Sector, and to the belief that the Sector can be an effective mechanism for building civil society and democracy. For me, that is an open question. Not too long ago I delivered a speech analyzing the Western philanthropic investments in East Central Europe. These investments were aimed at encouraging voluntary and philanthropic activity in the region on the theory that such activity would produce democracy in these formerly socialist societies. The title of my speech was in the form of a question: "Which comes first, philanthropy or democracy?" I still think this is an unanswered question that needs to be researched.

Finally, there is the problem of the dissemination of research beyond the academic community. This is a problem in all fields of research, but it is a special problem for us if we feel a special need to put research within the reach of sectoral institutions and practitioners so that it can be put to use effectively and in a timely fashion. We in the States have tried to use the IS Research Forums and comparable meetings as meeting grounds for practitioners and researchers. We have had a bit of success, but my impression is that the academics are mostly talking to academics, and the practitioners to practitioners. We have tried to use various types of publications as cross-over mechanisms, but my fear is that these have usually over-simplified the research to the

point where it is not very useful. The only thing we know for sure is that academic research is seldom either focused on practical needs or effectively communicated to those who have real world Third Sector dilemmas. My guess is that the answers will be found in sharply defined subsectors of the research agenda, where scholars and Third Sector actors work together to solve problems. This is what we are attempting in the small Center for Arts and Cultural Policy Research that the sociologist Paul DiMaggio and I are running at Princeton University.

Which brings me back to the question I raised earlier. How can centers such as this promising institution best serve both the policy needs of the Third Sector and the intellectual needs of the academy? If we in the United States knew the answer, I would have presented it half an hour ago -- but we do not, nor does anyone else. Clearly you must push ahead with the practical tasks of describing and analyzing the specific institutions of the Sector -- nongovernmental organizations of all sorts, voluntary activity of all sorts, civil society-producing activities of all sorts. You must begin to collect and maintain data on all of these institutions and activities so that you can develop the time-series of data necessary to measure change. You must analyze the attitudes that lead to desired Third Sector behaviors so that you can help to devise methods for maintaining or producing those behaviors. You know how to do many or all of these things, and they are urgently necessary.

But Aristotle reminded us that "everything that is necessary is necessary on some hypothesis." I put it to you that none of us is quite sure what the hypothesis is. Can we really define the Sector in precise terms? Can we satisfactorily distinguish the Sector from the market on the one hand and from the state on the other? Can we specify the relationship between the Third Sector and civil society? Or between the Sector and democracy? I for one do not think we can.

So while you must get on with the practical work we all agree needs to be done, I hope, however, I can convince you that you must simultaneously consider the large theoretical questions I have put to you. For if you do not, in the long run your research may not answer the most important questions about the social functions of voluntarism and nonprofit activity. And if that should happen, your research will be of little use in improving the quality of life, which after all has been the purpose of voluntary and nonprofit action.

We have much to do before we rest.

Thank you very much for bearing with me.